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VARIED ASPECTS OF SOUTHLAND MUST BE CONSIDERED BY JAPAN IN RECONSTRUCTION ENDEAVORS

Fitting Advice Is Given By Envoy Yoshizawa In Saigon Talk

NATIVES TO BENEFIT

In developing natural resources and bringing about prosperous industries in the Southern Regions, characteristics of the respective Co-Prosperity Sphere regions should be fully taken into consideration, declared Kenkichi Yoshizawa, Japanese Ambassador to French Indo-China, in an interview with an Asahi Saigon correspondent, reports the paper this morning.

"With the eradication of the Anglo-American influence from East Asia, the Greater East Asia Co-Prosperity Sphere came into being spontaneously only several months after the outbreak of the current war on December 8 of last year. This is an accomplishment unparalleled in the history of the world, which no one dared to predict.

"In some corners as well as over the seas of the Co-Prosperity Sphere, military operations are being still carried out against the enemy, while for the establishment of a new world order the constructive activities are progressing smoothly in the Japanese-occupied regions.

"The constructive activities are roughly classified into the two categories of politics and economics. However, the two are closely related to each other and it is difficult to draw a definite line between the two in commenting upon the constructive activities.

Natives to Benefit

"In the Japanese-occupied Southern Regions, the object of our political and economic activities is the native inhabitants who form the major part of the residents. It is indeed regrettable that these native inhabitants in the past were not placed under good administration. True, they themselves have many defects but they should not be subjected to the Anglo-American methods of maladministration, because of their shortcomings.

"Should Japan emulate the Anglo-American races in the management of the Southern Regions, industries and trade will not develop satisfactorily. When I stayed in Batavia last year, I advised the then Governor-General of the Netherlands East Indies, 'Should the Dutch East-Indies authorities introduce Japanese capital and engineering skill for the development of natural resources, the native income will increase, resulting in the raising of their standard of living. And this will bring about increased revenue for the Dutch government to its ultimate benefit.' Today, with the regions placed under Japanese control, I desire that our Government should adopt what I advocated.

"As to French Indo-China, the regions abound in various natural resources, which was made clear by the Natural Resources Investigation Mission detailed by the Japanese Government last year. However, these riches remain still untapped and Japan should develop and utilize them to the fullest extent. Noteworthy among the products of French Indo-China are rice, Indian corn, coal, and phosphate ore. The cultivation of raw cotton is also promising. Particularly, the rice is expected to be doubled in its output with the introduction of improved methods of cultivation.

Vast Resources Seen

"The Philippines, Malaya, Burma and the former Netherlands East Indies, are also rich in natural resources. The Philippines are noted for iron ore, Malaya and the East Indies for rubber and tin. Namely, the regions have respective characteristics of their own and it will be of vital importance to take into consideration these characteristics in developing resources and bringing about the prosperous industries in the regions.

"For instance, French Indo-China abounds in agricultural products and naturally is fitted for developing the so-called peace industries, while in the East Indies which is rich in oil, rubber, tin and other minerals it would be advisable to encourage munitions industries.

"Every Japanese-occupied region has rich natural resources without exception. Above all, Sumatra is blessed with the various natural resources still remaining untapped. In the past, the island was nominally the Dutch possession, but in reality was in the Anglo-American sphere of influence. To cite an instance, oil, one of the most important resources of the island, was exploited to the extent of 92 per cent by the Dutch Shell Company financed by British

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Fate of India Now at Stake Avers Nehru

Yomiuri-Hochi

BUENOS AIRES, August 4.—Pandit Mobilal Nehru, a leader of the Indian National Congress Party, declared in his statement issued today that the present anti-British movement would decide the future of India, according to a report from Bombay.

"The approaching all Indian conference," he stated, "will not only approve formally the demand for the withdrawal of the British people from India proposed by Mahatma Gandhi, but is also expected to discuss in detail and decide concrete measures for the mass disobedience movement in the event of the British side formally rejecting the demand for withdrawal.

"The new anti-British disobedience movement will be speedily and effectively commenced within two weeks, and it will be continued for three months at first. The future of India will be decided by this movement."

Ready for Fasting

Domei

LISBON, August 4.—In the event that Britain should refuse the request of the Indian National Congress Party, Mahatma Gandhi, leader of the Party and his wife will begin fasting, according to a Bombay report received here today.

The fact that this is the first time Mahatma Gandhi has made a formal trip accompanied by his wife, has been taken as an indication of his firm determination to oppose Britain if it fails to heed the Party's wishes, the report said.

Mahatma Gandhi and his wife arrived in Bombay yesterday, it was reported.

Serious View Taken

Domei

ZURICH, August 4.—The British authorities are seriously concerned over the coming conference to be held by the Indians in Bombay, as they might face another Sinn Fein trouble if the Indians start their disobedience movement against Britain, according to Neue Zuricher Zeitung reports from London.

With the All India National Congress Committee meeting a short time hence, British correspondents in India are reporting dangers that the Indians may organize to fight for their independence through a disobedience movement, the report says.

It further discloses that the News Chronicle is agitating the government, by saying that the government should have put more pressure on the National Congress Party before the situation developed to its present stage.

India Leaders Exhorted

Asahi Service

BANGKOK, August 5.—Rash Behari Bose, chairman of the Executive Committee of the Indian Independence League, encouraged all delegates attending the Bombay Conference and also appealed to all Indians to rise for their independence in his radio address broadcast at 9 p.m. today for half an hour.

His address in substance follows:

"In the present World War, Britain is bound to lose. Therefore, even if the British Government grants you complete independence on the condition of Indian participation in the war, you should not accept it. We will not kowtow to Britain to ask for independence, but will fight to gain our freedom.

"Even if Britain is not defeated, she would bleed India more harshly

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'Never Trust British,' Warned Economist In America to Japanese Many Years Ago

As early as some hundred years ago, an 80-year-old American economist, the late Professor Henry C. Kelly, warned the late Tetsunosuke Tomita, then vice-consul to New York, that Japan should guard against the invasion of the British into Asia, saying: "Never trust the British." The diary left by the late Tomita, who later became the Governor of the Bank of Japan found by his son, Yoshio Tomita, and contains the highlights of the interesting conversation which took place between him and the late professor. The details of the conversation were recently revealed by the Asahi.

The late Mr. Tomita was born in Sendai in 1835 and in 1867, just one year prior to the Meiji Era, the Shogunate sent him to the United States to study there. With the advent of the Meiji Restoration he was appointed vice-consul in New York in 1873 at the age of 39.

One day he called on the late Professor Kelly who was then a noted American economist, to ask him for his advice on various economic problems. On being asked the purpose of his stay in the States, Tomita answered that he was in the government service and added that he wanted to use his spare time studying the commercial and industrial conditions in the United States. Professor Kelly then said that Japan should not trust the Anglo-Saxons if she wanted to rise as a great power in the world.

The late professor continued by saying: "Japan should take care not to import opium and brandy from Britain. Britain exported opium to China in order to dull their mental faculties so as to be able to handle them more easily. I feel very sorry for the Chinese. And look at India. You will see how cruelly she treated the Indians. She is stretching her aggressive hands toward Asia to grab the best it has. If you trust the British you will be dominated by them the same as China and India."

As Axis Tornado Sweeps North Caucasus

Moving with relentless fury, the combined armies of the Axis are now scattering determined Soviet resistance along the entire Caucasus front. City after city is falling to the victors as they continue their unrelenting advance. At left are seen German vanguards on bicycles entering the outskirts of a town evacuated by the Soviets. Right: Victims of heavy bombings by the Luftwaffe are these railway carriages used by the Soviets to transport troops and ammunition to the beleaguered front lines.

U.S. AID TO BRITAIN SEEN SHEER FOLLY

Ambition to Inherit Legacies Leading to Disappointment, Says Commentator

The United States is still aiding Britain, but this is the height of folly, declared Professor Kojiro Sugimori of Waseda University, a well-known commentator on international affairs, in an article appearing in the latest edition of the Yomiuri.

Professor Sugimori says that the United States is desirous of inheriting the large legacies of Britain's outlying territories. During the past 10 years since the Manchurian Incident, the United States was convinced of the gradual decline of the British Empire, for in its recent international dealings, Britain has been compelled to make concessions, despite its blusterings. A typical example of this tendency is seen in the Munich Conference, he pointed out.

The United States harbored the desire to take even India away from Britain under the pretext of protection of democracy in the same manner that she attempted to grab China but this is the result of a lack of knowledge of the true potentiality of Japan and is destined to end in failure. In fact, the failure of such an attempt has already been proved by recent events, the commentator points out.

Professor Sugimori went further by declaring that in the vicinity of the extensive overseas territories of Britain, in West Asia and in Africa, the time has come for a revolutionary change in the division of these territories. The United States and Britain should fully grasp these unavoidable tendencies of the world and America's aid to Britain can only be carried out at the expense of the Americans, Professor Sugimori observed.

On the other hand, Britain has become a weak Power, and in its attempt to bring pressure to bear upon France by aiding Germany from the back door after the European war, Britain was "Dunkirked" by Germany in 1940.

Depending solely upon the assistance of the United States and the League of Nations Britain relied too much upon the strength of others. On the other hand, wedded to her conservatism, Britain relied too much upon her navy, neglecting air and undersea power. Industrially, Britain also neglected to improve machines with the result that her exports dwindled. Accordingly, she attempted to enrich herself with the gold that flowed into Britain from the network of credit thrown all

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DESTRUCTION OF CHIANG IS REQUISITE FOR PEACE

India Must Be Completely Rid of British—Soviet Volte-Face Feared by Allies—Australia Should Give Up Useless Resistance

The only means left for Japan to deal with Chungking is to crush it by force, declared Colonel Nakao Yahagi, Army Spokesman of the Imperial Headquarters, Wednesday afternoon in his press interview in a train bound for Osaka. Referring to the question of a second front in the European War, the Colonel stated that the question is closely related to the developments in the War of Greater East Asia.

The Army Spokesman, during his speech-making trip in the western Japan, first spoke at Nagoya after which he left for Osaka Wednesday, reaching his destination at 5 p.m. on the same day. Met by the press in the Osaka-bound train, the Colonel reviewed the world war situation as follows:

Must Utilize Force

Colonel Nakao Yahagi

"The independence movement now fast developing in India seems to have its ultimate aim in acquiring as its first step an independent status and then concluding a treaty with Britain on an equal footing. This means, I am afraid, that India, even after becoming an independent state, will not be able to get rid of its British influence which will most probably be retained through the said treaty. Britain will, in the end, concede this conditional independence, but the acquired status will be far from satisfactory to Japan. Firmly resolved to drive out all sinister foreign influences from East Asia, Japan will not be satisfied with this makeshift peace. In this respect, we should rather note what is going on among the Indians living outside their own country. They are now actively engaged in their own movement for Indian independence with better and clearer aims than those within their home country.

'Second Front' Problem

"The so-called second-front question is now much talked of among the Anglo-Saxon camp because it is feared that the Soviet Union will possibly make peace with Germany single-handedly if a second front attempt is not made by the anti-Axis countries. Then comes another question of how to establish the new front. Britain and the United States know that at least the troops of the size of several divisions will be required to be placed somewhere to hold in check to any remarkable degree the German onrush into the Soviet lines in the eastern front.

"The dispatch of this size of troops will in turn require at least 200,000 tons of shipping space which can never be provided by Britain at present. The bulk of the British warships are scattered here and there to combat the activities of the Axis submarines. Britain, moreover, has tasted enough bitter experiences in landing their troops at many sectors in the current European War. After the start of the War of Greater East Asia, Britain tried to send reinforcements to Malaya and Australia, all proving in vain. This state of things is compelling Britain to give up the idea of sending its troops to form a second front. But the question cannot be left unattended for there will certainly come a large-scale landing of Germans on the homeland of Britain in case of a German-Soviet peace which is anticipated when the Soviets learn the impossibility of establishing a second front.

"To all appearances the second front seems far from being realized in any effective way in the near future. The anti-Axis preparations have not yet been fully arranged for its realization. In the meantime, some movements are going on among enemy countries to displace their second-front formation by some other means to soothe the Soviets. They are inclined to indicate to their Soviet friends that they have been supporting the latter by strengthening the defenses around Iran, Iraq and Palestine, that may be taken as one form of a second front.

"More recently an idea came to Britain, it seems, that a second front could be displaced by staging air raids on the industrial centers both in Germany and France. Britain would like to claim that these raids will largely handicap the Reich air forces' operations. The Britisher, very naturally, have tried to make others believe that a far larger number of their raiding planes took part than that which actually flew somewhere across the Channel. However, if by chance a second front should be formed, it will have a serious relation with the war developments in East Asia. We, therefore, must closely watch the progress of the question.

Warning to Australia

"Australia, according to what is being declared by the United States, will become by 1944 a mighty base for the American offensive operations in the East. Even at present, the continent, is engaged in molesting Japan's shipment of needed materials for the construction of the occupied Southern Regions. The continent is provided with some air and submarine forces, which, the United

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SHONANTO TO GREET JAPANESE EVACUEES

Gala Program Arranged During Stopover for Asama Maru, Conte Verde Passengers

Domei

SHONAN CITY, August 5.—With the repatriation ships, the Asama Maru and Conte Verde, carrying Japanese evacuees from North, South and Central America, slated to arrive here from Lourenco Marques on the afternoon of August 9, Japanese authorities are planning a gala welcome for the Japanese passengers during their two-day stopover in Shonan City en route to Japan.

On the morning following the ships' arrival, Japanese diplomats and consular officials, including Admiral Kichisaburo Nomura, Japanese Ambassador to the United States, and Saburo Kurusu, special Japanese Ambassador to Washington, as well as newspapermen are slated to pay official calls on the Japanese authorities here.

Following a tour of the former British naval base, the Japanese party at night will be guests at a banquet given by Lieutenant-General Tomoyuki Yamashita, Supreme Commander of the Japanese Forces in Malaya.

Divided into groups of 50 persons each, Japanese passengers other than diplomats and newspapermen on August 10, will be conducted on a sightseeing tour of the island, including former scenes of fighting. On the same night the Japanese evacuees will be treated to moving pictures and other entertainment.

Special stalls will be established aboard the ships so as to enable the Japanese passengers to purchase not only daily necessities but souvenirs.

CHIANG KAI-SHEK FEARS ANGLO-INDIAN CRISIS

Domei

SHANGHAI, August 5.—Prompted by fear that the growing Anglo-Indian crisis would further lower the morale of the Chungking controlled masses, Chiang Kai-shek has expressed his hope for immediate solution of the Indian problem in his recent conversations with Sir Horace Seymour, British Ambassador to Chungking, according to a report received here from the Chiang capital today.

Meantime, Chen Shih-hwa, Chungking representative in India, has called on Abul Kalam Azad, president of the Indian Congress Party, at the order of Chiang Kai-shek, the report said.

U.S., Dutch Captives in Southern Regions Confess Their Lack of Soldierly Spirit

"I was astounded by the lack of soldierly spirit of the United States and Dutch soldiers now in the detention camps as well as by the increasing confidence of native inhabitants in Japan which resulted from her brilliant war achievements," stated Lieutenant Akihiko Kuroda, a member of the Press Section of an undisclosed division, who returned recently from the tour of inspection of the Japanese-occupied Southern Regions, in an interview held with a Yomiuri-Hochi reporter on Wednesday.

When Lieutenant Kuroda asked the six American Army officers who surrendered themselves to the Japanese on Corregidor about the spirit of a soldier, the Lieutenant was amazed at their remarks: "What is meant by your soldierly spirit? We didn't dream that we would be taken prisoner, but at present we are doing our best as honorable war captives."

Another surprise was in store for the Lieutenant who then visited the detention camp in Batavia where Dutch soldiers were accommodated. In reply to the question of the Lieutenant concerning the Japanese treatment of them, they said in chorus, "Splendid! In return for your kind treatment I must give similar treatment when we catch you." And the Dutch soldier whispered: "Don't you know that a big American Army has already been detailed to recapture Java? Both you and we are in the military profession. If you were taken prisoner I would give you kind treatment."

To the remarks of the Dutch soldier who thought that a Japanese soldier will allow himself to be taken prisoner, the Lieutenant was speechless with amazement, Lieutenant Kuroda told the Yomiuri-Hochi reporter.

Turning to the problem of native inhabitants in the Southern Regions, the Lieutenant said:

"With the splendid achievements of the Imperial Fighting Service, the native inhabitants' former respect toward the Anglo-American Powers was completely wiped out and instead Japan is now the target of their admiration and respect and confidence in Japan is noticeable clearly in their attitude to the Japanese."

KROPOTKIN, ARMABIR ENTERED BY VICTORIOUS REICH ARMIES; LIGHTNING DRIVES CONTINUING

Key Rail Junction Taken Following Fierce War Clash

EGYPT FRONT QUIET

Yomiuri-Hochi

BERLIN, August 5.—Crack German units have occupied Kropotkin, an important railway junction on the Kuban River, after a fierce battle. Simultaneously, German forces have established fortresses at various points on the west shore of the Kuban, for a distance of some 100 kilometers.

Armabir Said Taken

Yomiuri-Hochi

STOCKHOLM, August 5.—Information reaching the German side says that the German units which occupied Voroshilovsk have kept up their steady advance and have taken Armabir, an important point on the Rostov-Baku Railway, situated south of Rostov.

Lull in Egypt

Domei

ROME, August 5.—The High Command in its communique No. 799 issued today, declared: "In Egypt there was no event worth mentioning on the land front."

The announcement added:

"An enemy plane has been shot down by the anti-aircraft artillery of one of our big units and four by German fighters.

"Aviation units bombed the enemy's rear lines. German planes carried out heavy actions on objectives in the Alexandria. Also on Malta the activity of Axis bombers was pursued.

"In Crimean waters a daring night attack was carried out by our speedboats against a Soviet naval formation and a cruiser of 6,500 tons of the Red Crimea type was torpedoed and sunk. Our units in spite of sharp enemy reaction all returned safely to their bases."

Italy Honors Air Warrior For Service

Special to the Nichi Nichi

ROME, August 5.—Captain Carlo Emanuel Buscaria of the Italian Bomber Corps has been officially declared an air hero of Italy for his gallant exploits in having sunk single-handed 60,000 tons of enemy warships and merchant vessels, since the beginning of the present war.

The Captain's air activity commenced with the air raid on Alexandria on the evening of August 13, 1940, and his record shows that on August 27, he damaged two London-class cruisers, sank one Kent-class cruiser on September 17, damaged the warship, Renown, on September 20, damaged two Cape Town-class cruisers on November 2, sank one 10,000-ton class merchant vessel on November 13, seriously damaged a cruiser at Crete Island on December 3, and sank one 6,000-ton merchant vessel on December 26.

His record during 1941 revealed he sank one 8,000-ton cruiser on March 28, sank one 15,000-ton merchant vessel on April 15, damaged one 7,00-ton converted cruiser on April 4, seriously damaged one 5,000-ton merchant vessel on April 5, seriously damaged one 10,000-ton cruiser on April 19, seriously damaged one destroyer on August 8, sank the anti-submarine net-layer, Protector, (2,600-tons) on August 11, seriously damaged one Keath-class destroyer on August 22, seriously damaged one 7,000-ton merchant vessel on November 23, bombed one warship (believed to be a cruiser) on December 17, and sank one 10,000-ton merchant vessel on December 28.

During this year, he air-torpedoed the aircraft carrier, Argus, and damaged her on June 14, 1942, and sank one 5,000-ton merchant vessel on June 15.

Thus, within less than two years, the Italian ace sank two large cruisers, two converted cruisers, one anti-submarine net-layer and six merchant vessels, totalling 60,000 tons, while he had seriously damaged two battleships, one aircraft carrier, six cruisers, two destroyers and two merchant vessels.

For this meritorious service rendered, he was promoted two ranks and granted eight medals.

2ND GUBERNATORIAL MEET OF P.I. GOVERNORS SLATED

Domei

MANILA, August 5.—With the attendance of the governors of 39 out of 49 Philippine provinces, the second gubernatorial conference of the Philippines will be held here for four days, beginning August 12, to discuss various administrative matters, it was learned today.

Prior to the gubernatorial session, the Japanese Military Administration is slated to convene a two-day meeting of chiefs of branch offices of military administration from August 10.

It is understood that the projected governors conference will discuss measures for strengthening the authority of governors in connection with the recent decision to place provincial finance under the gubernatorial jurisdiction.

The Japanese Military Administration on the other hand, is expected to formulate plans for the institution of a new police system under the control of provincial governors and the Mayor of Manila in place of the existing special police system operating under mayors.

CHUNGKING IS WARNED BY CHINESE RED ORGAN

Chiehfang Jihpao Predicts Counter-Measures if Communist Hinterland Is Attacked

Domei

MANILA, August 5.—According to reliable but unconfirmed reports received here from Yenan today, the Chiehfang Jihpao, Chinese Communist organ, on Monday warned that if the Chungking forces attack the Communist controlled hinterland in Kansu, Shensi and Ninghsia Provinces, the Chinese Communist Party will take strong counter-measures.

This warning appeared in the Red organ directly following the three-day extraordinary meeting of the Central Political Bureau to discuss measures to be taken regarding the desertion of the Chou En-lai faction, the report said.

Although the decisions reached at the meeting have been kept secret, Chungking political quarters believe that the Communist leaders have agreed on measures to expand their influence and to cease cooperation with the Chungking regime, the report said.

MUSIC MISSION LEAVES

Uyeno Party to Take Part in Manchou Celebrations

A party of 137 officials and students of the Uyeno Musical Academy, including Yoshihisa Norisugi, director of the academy, left Wednesday evening for Manchoukuo to participate in the celebration of the 10th anniversary of the founding of the Manchoukuo Empire, states Domei.

Prior to their departure, a farewell meeting was held at the plaza in front of Tokyo Station.

Staging series of performances at various places in Manchoukuo, including Hsinking, Harbin and Mukden, the party is scheduled to return on August 28.

Shanghai Guards Health

C.P.S.

SHANGHAI, August 5.—Strict prohibition against the sale of unwholesome cold drinks and food for the purpose of safeguarding the health of the public was announced by the Bureau of Public Health.

NORTH CHINA ACTING AS SUPPLY MEDIUM

Opening of Tangku Port, Building of Canals, Highways, Vital To Japan, Says Miura

Rapid progress of construction work is making North China a powerful supply base for Japan in conducting the War of Greater East Asia, declared Shichiro Miura, chief of the Technological Section of the China Affair Board, in his nationwide radio address on Wednesday night, reports Domei.

"Meantime, maintenance of peace and order is extending to the interior of the country," he stated.

Mr. Miura explained the importance of the opening of Tangku Port and the construction of an irrigation system and highways in North China.

Stressing the importance of Tangku, he pointed out that the port was situated close to Peking and Tientsin and that construction work was scheduled to be completed by 1944.

Transportation Facilitated

"When the port is completed," he added, "shipment of coal from Tatung mine, as well as other vital materials to Japan would be greatly facilitated.

"With the solution of the irrigation problem, which is urgently needed for the re-organization of national economy in China, great benefits will be brought to the people of North China.

"In order to make North China self-sufficient in foodstuffs, a five-year plan to construct irrigation canals, at an expenditure of ¥2,200,000,000, was begun this year.

"Realizing the importance of good highways for automobiles and truck transportation, the North Chinese government has already repaired 3,600 kilometers of destroyed roads by the end of 1941.

"In May last year, bus service, covering 13,000 kilometers, was resumed greatly speeding up shipment of products from the hinterland, and, at the same time, facilitating the circulation of notes of the Reserve Bank in North China."

SHANGHAI POLICE WARN OF GOODS TRANSACTIONS

Permit Needed to Remove Commodities Under Control, Says Commissioner Pan

C.P.S.

SHANGHAI, August 4.—A stern warning against surreptitious movement of the various commodities which have been announced by the competent authorities as under control, was sounded by Pan Ta, Commissioner of the West Shanghai Police Bureau in a press interview recently.

Permits must be obtained for the removal of any of the commodities which are under control, the Police Commissioner declared. Such commodities, he added, have already been specified by the competent authorities, and should be known to all merchants and traders.

As to the commodities which are not under control, Mr. Pan averred, no movement permits are required. The prohibition against the movement of those commodities which are under control, is strictly enforced in the Western areas of Shanghai, but of late some merchants have attempted to transport merchandise without applying for permits and in violation of law, the Police Commissioner said. In this connection he reiterated his firm determination to deal with such offenses according to justice and without the slightest leniency.

He also expressed his intention of taking particularly strong action against demand for gratuities or extortion of money by policemen as a condition for allowing unauthorized removal of those commodities which are under control.

ASAHINA BUSY IN NANKING

Japan Youth Organ's Chief Inspects New National Movement

SHANGHAI—Sakutaro Asahina, Vice-President of the Japanese Boys' and Youths' Associations in Japan, who has been invited to Nanking to direct the new National Movement launched by the National Government, arrived in the capital recently from Japan.

Immediately upon his arrival at Nanking, Mr. Asahina inspected the activities of the movement, and took charge on August 1.

After a series of conferences with Nanking authorities, he will return to Japan to work out a comprehensive program for the Government-sponsored movement which will be submitted to the National Government.

MAY ADOPT TIME SYSTEM

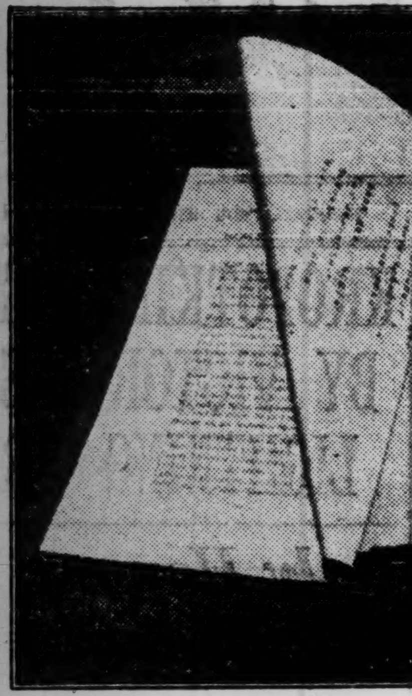
Shanghai Japanese Study Problems Of 24-o'Clock Schedule

SHANGHAI—To keep in step with the adoption of a 24-o'clock time system in Japan, the Japanese community here is expected to adopt a similar system from October 1.

The Executive Department of the Total Strength Patriotic Association is reported to have been studying technical problems arising from the change to the new system.

It may be recalled that the time tables of the leading Japanese traffic concerns such as the Central China Railway, Japan Airways, China Aviation Companies, etc., have already been compiled in the 24-hour system.

Jugend Present Poems



The presentation ceremony of 600 copies of a collection of poems, entitled "We Fight," sent from the Hitler Jugend to the Dai Nippon Youth Association, in thankful acknowledgement of the greetings sent from the latter on the occasion of the first anniversary of the conclusion of the Triple Alliance, was held at the official residence of the Education Minister at 9 a.m. Wednesday, reports Domei.

Among those present were Education Minister Kunihiko Hashida, President of the Association, and Reinholt Schulze, Representative of the members of the Hitler Jugend now visiting in Japan.

The volume contains "In the Trench" and 23 other poems composed by members of the Hitler Jugend, with translations by Kazuhide Sato, a Japanese poet.

In the course of his speech, Mr. Schulze said: "From the literary point of view, there may be little value in these poems, but they are all outpourings from the heart, and I feel sure that those who will read them will be greatly moved." To this President Hashida replied: "I, too, feel as much. I, myself, prefer such sincerity rather than the so-called masterpieces of poets. I want to distribute them among our youths as soon as possible."

The function was closed at 9:15 a.m.

Chiang's Destruction Requisite for Peace

(Continued from Page 1)

States claims, are on the gradual increase.

The continent is hurrying its defenses under General MacArthur, former Philippine Army commander, which means that the whole area, as far as its defense is concerned, has been placed under American leadership.

"This Australia, if it continues its resistance against Japan without understanding Japan's true aims in this War, will be punished relentlessly. We strongly hope that the continent will come to join hands with us to cooperate in the historic task of rebuilding East Asia. If she will not, no means are left for us but to subject the continent to hard blows.

Chiang Must Be Crushed

"Chungking, after its five-year futile resistance against Japan, seemingly has no sense to admit its defeat. This leads us to think that the regime should be actually crushed before peace will come in the present war. The annihilation of the Chungking regime will inevitably drive Britain and the United States to withdraw wholesale from East Asia. The regime really is an advance post for Anglo-American inroads into Asia. These enemy countries, it can be said, are still fighting here through the regime.

"All sources of future calamity will be uprooted by the annihilation of the Chiang forces. Now we have no means to deal with the regime but by resorting to a thoroughgoing onrush against the seat of the regime. We have now reached a stage where no other methods, diplomatic, economic or cultural, will be of avail to bring Chungking to see the light."

SHANGHAI WINS IN SOCCER

Beats Nanking Team in Final for East Asia Olympic Games

C.P.S.

NANKING, August 4.—The final football match for the selection of a team to represent China in the forthcoming East Asia Olympic Games in Hsinking was won by the Shanghai team against the Nanking eleven in an exciting game played here recently. The score was 3-1 in favor of the Shanghai footballers.

The match was played in ideal weather before a large crowd of football fans, estimated to total nearly 10,000 people, Dr. Chu Min-yi, Foreign Minister and chairman of the preparatory committee for the selection of China's representatives to the Olympics, Chen Chun-huei, chairman of the Overseas Affairs Commission, were among the distinguished spectators who witnessed the closely-contested tussle.

Yoshizawa Points Out Sphere's Way

(Continued From Page 1)

capital and the Standard Oil Company of American capital and only 8 per cent was Dutch capital. And the same can be said of the agriculture of the island. In other words, the island was placed economically under the control of the Anglo-American countries. For the duration of the current War of the Greater East Asia, it is of vital importance for Japan to mobilize all the available resources for the smooth operation of munitions industries.

Communications Stressed

"Not only after the restoration of peace but also for the duration of the hostilities, it would be necessary to facilitate the traffic and communications between Japan and the Southern regions and among the regions themselves. For attaining this purpose, efforts should not be spared for improving the harbor and port facilities in naval as well as commercial ports of the region.

"To my joy, I am already in receipt of news to the effect that the facilities of the naval port of Cavite have been restored and those in Surabaya improved. With the ports of Cavite, Surabaya, Shonan, Andaman and Rangoon in addition to Camrang Bay of French Indo-China, all of which facilities are in satisfactory conditions, the Japanese defense line in the South Seas is complete. Camrang is one of the four good harbors of the world together with Diego Saurez of Madagascar, Sydney of Australia, and Rio de Janeiro of Brazil. In addition, the region has attained self-sufficiency in both munitions and peace industries raw materials.

"In this sense, Japan is now said to be in a position of the ultimate victory regardless of the European war situation. And to consolidate further our undefeatable position it would be vitally needed to exert our efforts for the consruction of shipping and aircraft.

"Lastly, I should like to express my view on the economic policy of Japan. I am of the opinion that the financial matters should be controlled by the central authorities but in the field of economic activities considerable freedom should be accorded to the respective regions by taking into consideration the characteristics of each region. In this sense, I hope the Japanese will remember the remarks of Dr. Walter Funk, the German Minister of Economics at the Economic Conference held in Danzig on May 15. The German Minister stated at the conference that in the future Germany would follow centralism in its financial policy but decentralism in the industrial development."

U.S. Aid to Britain Seen Sheer Folly

(Continued From Page 1)

over the world, with the result that industrial capitalism gave way to financial capitalism, which was evidently a moral defeat, the writer declared. He concluded by saying that "All nations deprived of morality are bound to collapse sooner or later."

SOLDIERS AT FRONT SAVE ¥350,520,000

Proof of Fighting Forces Cooperation in Nation's Savings Campaign

Cooperating in the savings campaign on the home front, a total of ¥350,520,000 has been either deposited on the spot or sent by money-order by Japanese officers and men at the front, according to an investigation made recently by the War Ministry, it was learned Wednesday, according to Domei.

The figures, showing the enthusiasm of our officers and men for savings, are as follows:

1. China Affair

	Military deposit	Military money order
1937	¥2.590	¥6.190
1938	27.070	43.200
1939	40.010	32.740
1940	42.500	26.510
1941	37.180	32.190
Total	149.350	140.830

2. War of Greater East Asia

	Military deposit	Military money order
January	¥4.530	¥7.390
February	4.960	4.570
March	6.100	5.949
April	7.640	5.320
May	8.110	5.780
Total	31.340	29.000

As shown by the above figures, Japanese officers and man on the front lines have either deposited or sent by money order more than ¥70,000,000 every year during the China Affair.

Since the outbreak of the War of Greater East Asia, deposit on the spot has increased from the average monthly deposit of ¥5,870,000 during the China Affair to the average of ¥12,070,000 since the outbreak of the current war.

NANKING TO ESTABLISH NAVAL TRAINING SCHOOL

High Staff Officers of Chinese Navy to Drill for 2 Months Commencing September

C.P.S.

NANKING, August 4.—With a view to training up a fully efficient naval personnel in order to shoulder the gigantic task of the reconstruction of the Chinese Navy, the Ministry of the Navy has completed plans for the establishment of a training institute for high staff-officers. Instructions have been sent out to the various naval units to send all the commanding officers to report for training.

The training will last for two months and will be formally started in the beginning of September. In the first month, the officers will enter the Central Naval Academy and will be given a special course in technical knowledge. During the second month, they will be transferred to Nanking, where they will undergo a course of mental discipline. Simultaneously, high officials of the National Government will be invited by the Ministry to deliver lectures to the officers on various essential topics.

Following the completion of the training, the officers will return to their duties in their respective naval units.

PEACE CAMPAIGN ACTIVE

Big Sum Appropriated for Work in Chekiang, Kiangsu Provinces

C.P.S.

HANGCHOW, August 4.—For the Rural Pacification Campaign in five districts in Chekiang and two districts in Kiangsu in the southeastern area of the Taihu Lake under Fu Shih-Yueh, chairman of the Chekiang Provincial Goverment, the central authorities have promised to remit $8,000,000 for the work. Chairman Fu and his subordinates are at present making active preparations in order to carry out the campaign to a successful conclusion.

The following are the districts marked out for the campaign:—Kashing, Pinghu, Kashan, Haiyen and Haining in Chekiang, and Chinshan and Sangkiang in Kiangsu.

Journalism School Opens

PEKING—Thirty Chinese students who recently graduated from the senior middle grade schools in Peking and other principal cities in North China have enrolled in the Chung Hwa School of Journalism with 24 more Chinese students placed on the reserve list.

Press Comments

Thursday, August 6

NICHI NICHI—Soviet Union Duped by America and Britain

ASAHI—Do Not Belittle Enemy's Resistance Power

Soviet Union Duped by America And Britain

NICHI NICHI—The reliance of the warring Soviet Union on the natural resources of the Caucasus was really very great. Especially ever since the German occupation of the rich Ukraine and the sector along the Don River Basin, the agricultural produce and the underground deposits in the Caucasus have become invaluable to the Soviet Union.

Of these natural products, it was in oil that the Soviet Union in its fight against Germany felt superior over Germany, and at the beginning of the war the Soviet Union thought that Germany could not stand an enduring war even when the oil held in stock by Germany, the output from the ccupied zones and synthetic oil were taken into account, while the total annual output of oil in the Soviet Union amounts to more than 30,000,000 tons, and this oil producing district was held by the Soviet Union intact. Of these oil producing districts, the Caucasus produces more than 90 per cent of the total output of oil. Accordingly, even though the entire Caucasus does not fall into the hands of Germany, if the utility of the Caucasus shuld be denied to the Soviet Union, it is more likely that the Soviet Union will receive a telling blow.

The elite of General von Bock's army which pierced through the Soviet's first line of defense of the Caucasus along the Don River are now pressing the Red defense forces, under the command of Marshal Siemon Timoshenko, rapidly to the south with an overwhelming superiority of air force and mechanized corps, and the German central forces occupied Voroshilovsk on August 4.

There is little doubt that this exploit of the German forces will make German strategy in the future more advantageous. This sector is within a distance of only 100 kilometers to the Maikop oil field and is situated at the right rear of the Kuban position of the Soviets which is one of the most strongly fortified positions in the Northern Caucasus. The Kuban position is already being flanked by German forces from the Kerch Peninsula at the left, while the front of the position is being hard pressed by the German right wing. Thus Kuban is now encircled from three directions.

Some of the foreign dispatches report that a portion of Marshal Timoshenko's forces has already fled into the mountain sector in the Greater Caucasus, and present indications are that the Reds in this sector will be compelled to beat a wholesale retreat.

In parallel with the war situation in the Kuban sector, the Red forces in the direction of Stalingrad are being also exposed to similar danger. The impending loss of this keypoint is fraught with the abandonment by the Soviets of the Volga sector which the Soviet Union can ill-afford to lose either economically or strategically, and the Kremlin had never been faced with a greater peril than the present.

Even after the outbreak of the Reich-Soviet war the Kremlin pinned great hopes to the vastness of its territory and the climatic conditions favorable to its defense, but the Germans advanced vigorously to all the positions defended by the Reds, have overcome the difficulties attendant on the severe winter and have full confidence in their operations in the second winter which is coming within another three months.

The more pressing problem is whether or not the Soviets can maintain the whole of their positions until the winter season sets in. That is the very reason why the Soviet Union is hankering after the aid of Britain and the United States, but even if that aid should be coming, the mere dispatch of war materials far behind the front line would not help matters.

There is no other way to save the Soviet Union from its immediate peril but for Britain and the United States to land large forces somewhere on the European Continent and set up a second front so that the spearhead of the German forces now directed at the eastern front will be compelled to be voltefaced to the second front thus formed.

The Soviet Union is now pathetically appealing to Britain and the United States to organize a second front immediately, but both Britain and the United States are entirely lacking in the means of complying with the Soviet's request, neither do they have the necessary fervor to help the Soviets.

Both Britain and the United States promised to extend the greatest aid possible to the Soviet Union right from the outset of the Reich-Soviet war, and the reported visit to Moscow of Prime Minister Winston Churchill is presumably in connection with this matter. It was known right from the beginning that the most effective way to help the Kremlin is to get up a second front in Europe.

Had Britain and the United States possessed the necessary fervor to assist the Soviet Union, they could have probably done so before the Soviet Union was thrown into its present sorry plight and before Britain and the United States had suffered such huge losses in bottoms by the Axis submarines and air forces and before Germany had completed the fortifications of the western coast of the European Continent.

However, when Poland was attacked in 1939 both by Germany and the Soviet Union, Britain did not send a single soldier to help Poland in default of her promise. That is Britain. Again when Finland was attacked by the Soviets the same year and in the year following, the United States merely offered lip service and left Finland to the mercy of the Soviets. The promise of aid to the Soviet Union by Britain and the United States was evidently an expediency to drive the Soviets into a war against Germany, so that they can avoid the brunt of the German attack which otherwise might have been directed at them. The Soviet Union has been cheated.

Britain and the United States may resort to a makeshift measure of forming a second front by means of air forces, but even if such a method should be taken, it would be impossible to roll back the tide of war, just as guerilla warfare cannot be a decisive factor of a war.

The actuality now being faced by the Soviet Union is really disastrous. But what benefit have Britain and the United States derived by deceiving the Soviet Union? Perhaps they have been able to put off the brunt of the German attack, but the day will not be far distant when they will perish before the bitter assault of the Axis Powers both in the west and in the east.

Do Not Belittle Enemy's Resistance Power

ASAHI—It is indisputable that the War of Greater East Asia has now entered into the stage of an enduring combat. Needless to say, strategical activities play the largest role in deciding the war, and there are still areas in the east, the north and the west where large strategical operations are bound to take place. Once the intrepid Japanese Forces decide to do so it would be a cinch to overrun Alaska, Australia and India. But, attempting long-range attacks on the United States and the British Isles will be hedged about with difficulties. In face of the vast space lying between us and the enemy and with the present conditions and the present stage of technology, it would be difficult for us to overthrow Britain and the United States by assaulting their homelands. Just as it is difficult for Japan to deal blows at the heart of Britain and the United States, it will be more difficult for Britain and the United States who are on the wane to attack Japan across the vast distances.

The fact that the war has entered into a stage of an enduring contest means that the final outcome of the war has been put off to a later date, which in turn means that not only the existing military power but also the future military power will play a large part in deciding the war. In short, the power to construct future military strength will decide the war. More precisely, the one who has built up the strength to cross the vast distance quicker than the other will be the victor.

Knowing this the United States has been preparing for this strategy. Right from the beginning of the War of Greater East Asia she has been aiming at enduring economic warfare, setting the year 1943 for taking the offensive.

In January this year President Roosevelt sent a long message to Congress calling for astronomical expenditure for war production, and owing to the super-colossal figure, the people jeered at the plan. Later on, however, President Roosevelt through radio speeches emphasized the possibility of realizing the plan. His scheme is to prepare a huge armament which can sufficiently overwhelm the Axis Powers and to launch a counter-attack at the right time.

However, the War of Greater East Asia completely altered the distribution of the world's natural resources. The glorious victories of Japan have completely reversed the position of Japan and that of the enemy in regard to the supply of such important materials as rubber, tin, oil and hemp.

All information available indicates that the economic conditions in the United States have been completely upset. Great shortages even in materials which had been plentifully produced in the United States before the war, such as iron, oil, aluminum, etc., are now experienced, not to speak of the raw materials formerly supplied from the Southwestern Pacific.

Moreover, there seems to be no end to the adverse inflationary tendencies; prices are going up by leaps and bounds defying desperate efforts to keep them down; labor unrest is gradually mounting; the people have lost stability of their minds and they are running desperately toward a morass of hedonism in complete disregard of the President's message for lowering the standard of living, resulting in the dwindling of war production.

These conditions are tending to make the President's rearmament blueprint a mere paper plan. But there is one thing that we must pause and think of. That is, they are pushing forward with the rearmament plan in the face of all difficulties. There are reasons to believe that the foregoing economic disorder in the United States is merely an ephemeral phenomenon which is liable to occur in a rapid change from peace-time to wartime. Shortages of materials, the disturbance in the economic system, the degeneration of the people etc., are things that can be overcome, if given time. We should not certainly disregard the fact that while we are laughing at the President's megalomaniac plan, they are making every possible effort to attain their end. Herein lies the important issue about the enduring nature of the war.

It would be right to consider that the United States is now assuming a defensive pending completion of her military preparedness for an offensive. Of course, our faith in an ultimate victory is unshakable. Whatever preparations Britain and the United States may make, our final victory is a foregone conclusion. But we should not certainly underestimate the fact that the enemy is assiduously at work, and, moreover, it is necessary for us to comprehend clearly what is meant by a protracted war. Under whatever conditions we should not slight the enemy. Unguardedness is the greatest enemy.

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Future of All India Seen Now at Stake

(Continued From Page 1)

in order to recover from fatigue and depression after the war. It can be plainly seen from the example in Egypt.

"Regardless of victory or defeat, to share the fate of the British Empire is impossible. Unless India drives out the British influence by her own strength, it is clear that Japanese troops who aim at destroying the British-American influence will advance.

Best Chance Now

"You should not be afraid of the warning of oppression issued by the British. We possess our great strength. The present fight is our last fight, and if the present opportunity is lost, India will never have another chance.

"As long as Britain intends to control the whole world through India, our movement will result in saving not only our 400,000,000 people but also the entire humanity.

"I desire the entire people of India will join the war for independence. Before the invasion of the British, our country possessed a beautiful culture, which, however, is now trampled under the tyranny of the British. I hope you will all think of the past and the present. We are now trying to bring to India such beauty as we possessed before.

"It is my sincere wish that you would all participate in the war for independence until we secure complete freedom."

Hongkong Branch Formed

The Hongkong branch of the Indian Independence League has been reorganized to conform with the working regulations adopted at the Bangkok conference of the Independence League, the Asahi reports from Hongkong, states Domei.

The former branch will be the Hongkong Indian Independence League, and will support the Bangkok headquarters.

The first mass meeting of the Hongkong Independence League is slated to be called on August 9, with participation of 4,000 Hindus in Hongkong.

The mass meeting will propose the organization of a Hindu national army in Hongkong and hear a report on the Bangkok Conference, it is understood.

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BRITISH PLOT TO DUPE INDIA SAID DOOMED

Rejected Gandhi Resolution Published as Restraint Measure On Bombay Meeting

OPPOSITE EFFECT SEEN

Indian Masses Given Insight Into Mahatma's True and Intelligent Ideas

Domei

LISBON, August 4.—According to reports reaching here from Bombay the Indian Government published on August 4, the contents of a resolution which its author, Mahatma Gandhi, called the "Suit-India Resolution", which was taken up and rejected by the working committee of the Indian National Congress on April 27.

The highlights of the resolution for the settlement of the Indian question are:

1. The working committee is convinced that Britain has not the capacity to defend India, and that the Indian political party and the Indian masses are not trusted by Britain.

2. Japan is not engaged in a struggle against India, but with Britain. The Indian people do not desire the participation of their country in the war.

3. The first thing for India to do if it wishes to free itself from Britain is to enter into negotiations with Japan.

4. If the British people in India evacuate, the Indian people will take in hand the defense of their country. Britain wants to stay in India under the pretext of affording protection to the native princes.

5. The working committee is to give its word that India does not feel hostile to Japan or any other foreign country.

The world was mystified on August 4, by a move of the Government of India to publish the plan of Mahatma Gandhi, famed leader of the Indian Congress Party, for a settlement of the Indian question.

This plan of the Mahatma, it should be noted, came up at the meeting of the working committee of the Congress party held at Wardha on April 27. The committee turned down the plan on the ground that the time was not ripe for the body to adopt a resolution concerning the proposals. The Mahatma's plan called for two things.

1. Britain is to be asked to withdraw from India.

2. Japan is to be approached about the question of liberating India.

Japan Not Hostile

The position of the Mahatma in making the second proposal was that Japan was not hostile to India just as India did not feel hostility toward Japan. The whole scheme rested on the Mahatma's conviction that Britain lacked the power of defending India.

The question which was on the lips of people throughout the world after the publication of the Mahatma's ill-fated plan was how it was that the Indian Government thought fit to publish a plan which was rejected by a competent body of the Indian Congress Party, whatever the reason for the action, more than three months ago.

The move of the Indian Government, exceedingly queer to the uninitiated, was no riddle to observers watching things in India.

The thought uppermost in the minds of these authorities on India was that the motive of the Indian Government was to cut into the enormous power possessed by Mahatma Gandhi by creating an impression among the Indian masses and the peoples of third countries that the Mahatma's ideas and thoughts are not shared by the rest of the Congress Party.

Shrewd observers were quick to see, in the move of the Indian Government, a gesture designed to re strain the All-India committee of the Congress Party which is meeting at Bombay on August 7 for a discussion of the policy to be followed by India in freeing itself from British rule.

Opposite Effect Produced

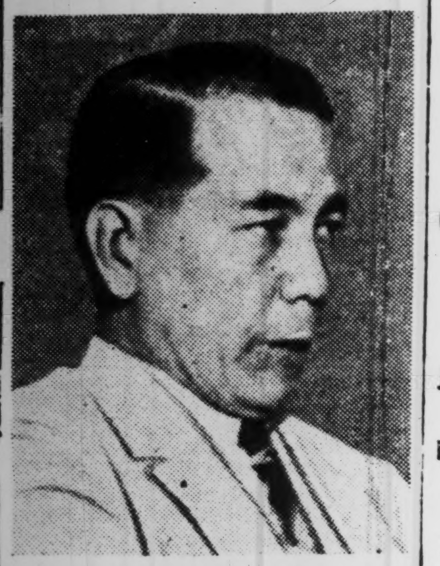
The question promptly arises of what chance there is for the Indian Government and for that matter Britain to estrange the Indian masses from the Mahatma and those who share his thoughts.

The answer of persons competent to judge things in India to this question is that there is not the slightest room for doubt about the disclosure producing the effect, an effect quite opposite of what was sought by the party which made it, of putting the Indian masses in a mood to holding Britain in greater contempt.

A large body of informed opinion was almost sure that it would not be long before the British authorities in India learn to their dismay that by publishing Mahatma Gandhi's rejected plan it gave the Indian masses an insight into his way of

(Continued on Page 2)

Will Rebuild Manila



Mayor of Greater Manila, Leon Guinto, who is fully determined to follow the leadership of Japan is transforming the P.I. capital into an important metropolis. Complete extermination of evil American influences is to be his primary undertaking.

REFUGEE DESCRIBES FATE OF CHUNGKING

Japanese Woman Who Escaped From 'City of Agony' Tells Of Experiences

Special to the Yomiuri

NANKING, August 4.—The pitiful plight of Chungking, together with full details exposing Chiang's corrupt system of administration, has recently been disclosed in a letter penned by a Japanese woman who suffered harrowing experiences to escape from the city of eternal agony.

The woman in question, Madam Yang, nee Mieko Hashimoto, 35 years old, together with her husband, Yang Ti-chih, who is now, a member of the staff of the Central Reserve Bank of China, and two children, sought refuge in Changsha, Kweilin and Kunming during the three years following the outbreak of the China Affair, before finally settling down in Chungking. Unable to endure her existence in the city any longer, she finally persuaded her husband to escape with her and the children in order to join the peace camp under Wang Ching-wei.

Her stirring message, which was run in the Yomiuri, follows:

Overwhelmed by the unfathomable depth of Imperial favors, I am now preparing this note under the peaceful sun at Nanking with the object of presenting it to the mothers of my fatherland who gave birth to the heroic departed souls of the war and the officers and men now active on the front.

We escaped into the interior of China at the time of the outbreak of the China Affair under the delusion that the China Affair, like the previous Shanghai Incident, would be settled within a period of about three months. Two days before the war spread to Shanghai, that is, on August 11, 1937, I left Nanking for Changsha together with our children. The China Affair, however, instead of ceasing, developed steadily. My husband, with whom I parted at Nanking, was imprisoned for two months by Chiang Kai-shek on the ground that my husband was a pro-Japanese Chinese.

Unacquainted with the Chinese interior, I had no means to go to Tsaohsien of Hunan Province and join the family from which my husband came. At that time, I was prepared for death. As I stayed longer at Changsha, the war further spread to the direction of Hankow, and urged by the routed Chinese soldiers, we left Changsha for Kweilin. This was in July, 1938.

Walking day and night, we arrived at Kweilin. On November 30 of that year, Kweilin was bombed by Japanese airplanes for the first time. As we came out of the air shelters, we found our house blown away together with the furniture which we had brought from Nanking on a cart drawn by a cow. We became penniless refugees. In January, 1939, we escaped to Kweichow and after a stay of two months, went to Kunming. About that time, we were able to rejoin my husband. Kunming was a nice place to live in, and we stayed there for about a year.

My husband was given an appointment as an accountant in the service of the Chungking government, and we had to move to Chungking in March, 1940. People at that time said that, compared with pre-war days, Chungking had become lonely, but at that time, we found various government offices in and out of the busy streets and the commercial houses illuminated with electric lights. The hills and mountains around Chungking were fortified with various military equipment. Chiang Kai-shek was often seen inspecting these military establishments in an automobile. Mrs. Chiang gave up her flashy dresses and took pains to win the popularity of the masses.

Rape-Seed Oil for Buses

We were living outside the walled

(Continued on Page 3)

MAYOR DRAFTS PLAN TO REVIVE CITY OF MANILA

Guinto Stresses Importance of Eradicating Evil U.S. Influence Completely

JAPAN TO BE FOLLOWED

Large-Scale Reform of Municipal System Promised in Near Future

Since that triumphal entry of the Imperial Forces some seven months ago, Manila, the capital of the Philippine Islands, has gradually been discarding all American traits, making a steady progress toward transformation into a new metropolis.

In order to acquire first-hand information concerning the reconstruction of the city, a Domei reporter visited the Municipal Office to interview Leon Guinto, a civil engineer and a Labor Minister in the former Filipino Cabinet who has newly been appointed Mayor of Greater Manila. The following conversation took place:

Reporter: In reconstructing the Philippines, I believe it necessary to convert Manila, the capital, into a city having an East Asiatic character. Will you please tell me what your aspiration is in this connection?

Advocates Neighbor Groups

Mayor: The present war has cleaned the Philippines of Anglo-American influence from the very root, but unfortunately, there still remain vestiges of Americanism in the city itself and in the life of the Filipinos at large. Therefore, I believe that the first step toward reconstruction is to exterminate this evil. One way of erasing American characteristics from the people's life, I think, is through the utility of a body similar to the neighborhood association of Japan.

Peace and order has returned simultaneously with the entry of the Japanese Forces into the city, and the whole atmosphere is now very pleasant. This state of affairs can well be verified by the fact that crime and fires, as compared with the pre-war days, have decreased considerably.

For the preservation of peace and order, however, it is essential to improve the police force as well as to raise the quality of the police officers themselves, and consequently, the officers of the law are being given re-education strictly under the Japanese system.

The problem of sanitation is likewise vitally important in reconstruction work, and for this reason, efforts are now being made to prevent diseases of a vicious character. Thanks to the timely consideration of the military administrators, ample supplies of rice and other cereals have been imported, completely removing the anxiety harbored over the post-war food problem. The distribution of the imported cereals has been placed, under the able management of the "neighborhood association."

To cope with the labor question, an employment agency has been instituted, and steady progress is being made to meet the Army's requirement of labor-power.

In the field of communication, the operation of municipal buses in the near future is being considered. Already, different types of charcoal-fuel buses have been brought over from Japan, and expert mechanics are now studying ways and means of improving their mechanism. Steps have also been taken to produce charcoal from the bark of the coconut tree.

The municipality is not directly handling the educational renovation of the city as it is left in the hands of the School Board. In my opinion, however, learning of the Japanese language alone is not sufficient to achieve the goal; it is vitally important to copy their patriotic spirit, simplicity, sturdiness and other characteristics of the Japanese race.

The municipality is currently teaching the Japanese language to the police officers not only out of necessity for their routine work, but also to inoculate the traditional Japanese spirit into these men whose task is to set up a good example to the Filipino public.

Reporter: With the incorporation of Quezon and other adjacent towns, the city limits of Manila have been expanded considerably. Please tell us your policy for the reform of the administrative organ, which is bound to follow in the wake of the expansion.

Preparing Reform Measures

Mayor: Plans will soon be completed for the reform of the administrative organ so that they will be submitted to the Military Administration in the near future. Under the present system, seven deputy-mayors are placed directly under the Mayor, but this system, in all likelihood, will be abolished and instead, the whole city will be divided into 12 wards, appointing a

(Continued on Page 2)

Allied War Prisoners in Batavia Grateful Toward Japanese Army

Treatment Accorded Them by Nippon Forces Includes Baths, Recreation and Wages for Manual Labor

The war prisoners of the Allied Nations, Britain, the United States, Australia and the Netherlands, who have been interned in Batavia since their unconditional surrender to the Japanese Army some five months ago, expressed their gratitude for the kind treatment by the Japanese Army to an Asahi correspondent who recently visited the war prisoners' camp in Batavia.

After the interview with A. W. L. Tjarda Van Starkenborgh Stachouwer, former Governor-General of Java and General H. Ter Poorten, former Commander-in-Chief of the Dutch East Indies forces, the same correspondent dispatched the following account of their daily life and the conversation which took place during the interview, to the main office of the Asahi.

The Ex-Governor-General and General Poorten were both dressed in white shirts, and trousers of a tan color. They looked well and handsome despite the fact that they had a despondent look on their faces. They answered my questions as follows:

"What is your opinion of your mother country?"

"We love our country as much as we did before."

"After the first World War, many small countries found themselves treated as puppets by Britain and the United States. Do you think the same thing will happen if the Allies win this war?"

"We fought the enemies of the Allied Nations as a member of the Allies. We did not participate in the war because of the promise of rewards either by Britain or the United States."

"Had you any conception about the strength of the Imperial Forces?"

"We were surprised at the superb strategy of the Japanese Landing Forces, the skilfulness of their wireless service and the superior quality of their war equipment."

"What do you think about your life as war prisoners?"

"We are grateful for the kindness shown to us by the Japanese soldiers".

The correspondent described their living quarters and their daily life as follows:

"The war prisoners camp which is situated in the central part of Batavia is divided into two sections, one for the officers and the other, for privates. Those war prisoners are quartered separately according to the difference of nationalities. They are required to attend roll-call in the morning and evening, but otherwise they are mostly left to themselves. They are allowed to take baths every day and are also permitted two hours for sports when they enjoy basket-ball, "quoits" and others.

"Some hundreds of them are engaged in manual labor and receive the same pay as that of the Japanese soldiers. Having been miserably defeated they do not seem to care which country wins final victory and they expressed their desire of the early termination of the war, so that they could return to their native places where they left their loved ones.

'GREATER SHANGHAI' RAPIDLY UNDER WAY

Readjustment to New Conditions Keeping Pace With Development in South

Readjustment of Shanghai under Japanese occupation in political, financial and cultural fields for a Greater Shanghai, is keeping pace with the rapid progress of development of the southern regions, according to a Yomiuri report from Shanghai.

Politically, as the Anglo-American influence has been completely eliminated from the Shanghai Municipal Council, the administrative structure is now consolidated entirely by the Japanese and the Chinese under the guidance of the Japanese, while authorities of the French Concession are closely cooperating with the Japanese and Chinese administrative authorities, the Yomiuri dispatch said.

The special civilian corps organized under the guidance of the Japanese military authorities are also working with the Japanese Forces to keep peace and order in the two Concessions, it said.

Financially, the Yomiuri pointed out the following changes in Shanghai since the Japanese occupation; military administration of the Anglo-American business firms; a clean sweep of the former fapi notes; the return of those factories which were for some time administered by the military administration to the Chinese. It said various industries in

(Continued on Page 2)

RUMANIAN PEOPLE ARE PRO-JAPANESE

Leading Newspapers in Bucharest and Other Principal Cities Carry Brilliant War Results

Rumania completely has turned pro-Japanese, particularly since the outbreak of the War of Greater East Asia, Major-General Tokio Fujitsuka, military attache to the Japanese Legation in Bucharest, declared Tuesday morning on his arrival at Shimonoseki on his way to Tokyo, according to the Asahi.

"Leading articles carried by newspapers in Bucharest and other principal cities in Rumania solely are devoted to reports of brilliant Japanese war results," he said.

"The people in Rumania are eager and enthusiastic to learn and study things Japanese, and that zeal has been redoubled since the outbreak of the War of Greater East Asia," Major-General Fujitsuka said. "General Georges Bagulesco, former Rumanian Minister in Tokyo, is one of the most ardent advocates of things Japanese, making prolonged lecture tours throughout Rumania to acquaint the Rumanians with the strength of Japan.

"Vernacular papers in leading cities in Rumania, including Bucharest, are giving top space to Japanese war stories.

"The Rumanian people are closely and strongly united under the leadership of Premier Ion Antonescu and are firmly resolved to conquer all difficulties in order to overthrow the anti-Axis countries."

Today's Press Comments

Thursday, August 6, 1942

(Excerpts from important editorials which are appearing this morning in the leading vernaculars are published herewith. Translations of other editorials will be found daily in the Evening Edition of the Japan Times and Advertiser.)

Future of Southern Countries

MIYAKO—Constructive work is getting under way in Java, Sumatra, Burma, the Philippine Islands, and other southern areas which have been brought under Japanese control. An opportunity has opened for the residents of Burma and the Philippines to live secure and prosperous lives as a part of the Greater East Asia Co-Prosperity Sphere. Their future will be the brightest if they take to heart the instructions which have been issued to them by the Japanese military authorities and assist the men responsible for the administration of their affairs in the performance of their duties.

Japan has no aggressive designs. If it is using armed force in the southern area, it is in the interests of the residents of this area. The war aim of Japan is to construct a sphere of common prosperity in Greater East Asia.

The inhabitants in the occupied southern regions are supposed to be well aware of Japan's intentions. Otherwise, how is it that they are enthusiastic over the Japanese troops which have come into the regions in which they are living? It looks as though they regretted that the Japanese had not come earlier into their regions.

The important thing Japan has to do in the Philippine Islands is to have the residents of the country, especially the young people, discard those of their ideas which may stand in the way of the full performance of their functions as members of the Greater East Asia Co-Prosperity Sphere.

British Measure of Alienation

CHUGAI—Thrown into the depth of consternation as its relation with India is fast aggravating, the British Government has resorted to the last means of trickery, exposing what is said to be the draft plan of India for its negotiations with Japan.

As a means of forestalling India, Britain, until today, had repeatedly voiced groundless slanders against Japan. Now realizing the unfavorable turn of events, it has worked out a plot to cause internal friction in the Indian National Congress by making use of the Indian plan of negotiation with Japan in bringing about an adverse effect. The exposure of the details of the Congress

(Continued on Page 2)

GERMANS PUSH FLEEING REDS INTO FOOTHILLS

Timoshenko's Armies Forced To Withdraw Into Caucasus Range, Soviets State

ANNOUNCEMENT IS ISSUED

Reds Compelled to Withdraw to New Line Due to Advantageous Position of Reich Forces

Domei

MOSCOW, August 4.—Pressed back by the weight and power of Germany's mechanized formations, Marshal Simeon Timoshenko's armies have been compelled to withdraw into the foothills of the Caucasus range, it was admitted in a Soviet High Command communique issued here today.

According to the announcement, the Soviet forces were compelled to withdraw to a new line because of the advantageous positions held by German panzers on the plains.

In Hot Pursuit of Reds

Yomiuri-Hochi

BERLIN, August 4.—The German troops which have occupied Voroshilovsk are in hot pursuit of the Russians. On August 4, they succeeded in crossing the Kuban River in the face of fire from the enemy. This German achievement has exposed the cities and towns or the upper reaches of the river to grave danger. One of these cities, Almaville (?), already is afire. If the Germans succeed in reaching Tuapse, oil exporting port, on the coast of the Black Sea, quickly, they will find their movement completed of encircling the Soviet troops in the eastern part of the northern Caucasus.

Cross Kuban River

Yomiuri-Hochi

BUENOS AIRES, August 4.—According to a radio broadcast from Vichy, the vanguard of the German army operating in the Caucasus crossed the upper reaches of the Kuban River on August 4, and reduced Krasnodar and Thifliskaya on the southern bank of the river.

Britain Courting Soviet Union

Asahi Service

SHANGHAI, August 4.—On account of the delay in the formation of a second front in Europe, dissatisfaction is steadily mounting among Red army circles against both Britain and the United States. A telegram from Ankara to Transocean yesterday gives the following information as having emanated from official sources:

A report has been published to the effect that Premier Churchill has arrived at Moscow by plane. Telegrams coming here today from both German and Italian sources mostly authenticate this report of the arrival of Churchill at Moscow. On the other hand, the Anglo-American side is maintaining strict silence concerning this report. A Stefani telegram from Sofia today states that the report of the trip of Churchill to Moscow first came from Lisbon on July 31 and then was confirmed by news emanating from Turkish official quarters.

U.S. PRESIDENT DISLIKES BRITISH POLICY IN INDIA

Roosevelt Assumes Critical Attitude on Oppressive Methods Used

Domei

LISBON, August 4.—President Roosevelt who has been assuming a critical attitude toward the British policy of oppression regarding the independence movement of the Indian National Congress, refrained from committing himself to any statement during today's press conference in Washington, reports from the American capital received here today revealed.

The President was non-committal when questioned as to what he thought of the reported statement made by Mahatma Gandhi that the United States should advise the British authorities to withdraw from India, the report said.

Dispatches from Washington revealed that the general impression exists in the United States that a severe crisis is in store for Britain regarding the Indian question.

Well-informed quarters in the American capital now opine that Mahatma Gandhi's leadership of the Indian National Congress Party is secure, a fact which the British authorities no longer will be able to disregard, the reports said.

FIERCE BATTLE SAID RAGING IN KLETAKAYA, GLINA SECTORS AS GERMANS CONTINUE ADVANCE

Anglo-U.S. Commands Lack Unity, Is Charge By New York Times

Domei

LISBON, August 4.—While admitting the necessity for the immediate creation of a unified Anglo-American High Command, the New York Times has editorially pointed out that lack of unity characterizes the individual high commands in these countries at the present time, according to reports received here. Without unity at home, the paper stressed, the establishment of a common high command for Great Britain and the United States is a problem incapable of solution. It asserted that both Prime Minister Winston Churchill and President Franklin Roosevelt have taken much of the formation of strategy in their hands.

Red Army Putting Up Desperate Struggle On All Fronts

NAVAL BASE IS HIT

Soviet Troops Retreating in Kuban River Sector Before Powerful Reich Units

Domei

MOSCOW, August 4.—The Soviet High Command announced that severe fighting is taking place in the Kletakaya, Tsimlyanskaya, Belaya, Glina and Kyshchevskaya sectors.

Meanwhile, it is said that German troops have further advanced south at the bend of the Don River.

Reds Put Up Struggle

Asahi Service

KUIBISHEV, August 4.—The Red Army is putting up a life-and-death struggle against incessant and furious attacks of the German forces in all fronts, according to the Soviet vernaculars.

The Russian Cossaks are reportedly fighting the Germans terrifically in the Kushchevska and Salsk sectors. The battle along the River Don is rapidly gaining in intensity as the German forces, determined to maintain the ground on which they landed after crossing the river, are firing away without a moment's rest.

Break Through Line

Yomiuri-Hochi

BUENOS AIRES, August 4.—Reports from Lisbon indicate that units of the German army in the Caucasus are engaged in a fierce battle for the possession of Chiholek. Other units have broken through the Kropotkin line.

The Soviet troops in the area of the Kuban River are retreating before the advancing Germans to new positions on the southern bank of the Kuban River.

East of Kropotkin and in the area of Tifliskaya, the Germans are overwhelmingly superior in power.

North of Krasnodar, there is in progress a severe battle in which the Germans are subjecting the rear guard of the retreating Soviet army to fierce fire.

Information received in neutral circles here shows that the Soviet naval base of Yeisk is under a cross-fire from big German guns.

Strategic Point Taken

The Soviet High Command announced on August 4 that Beirayagrina, strategic point connecting the Stalingrad-Krasnodar-Novorossisk railway, has been taken by the German forces, according to a report reaching the Nichi Nichi from Moscow via Stockholm. It was also officially admitted that part of General Timoshenko's forces in the northern Caucasus has retired to the foot of the Caucasus range in order to defend from this point the German southward thrust.

According to another Moscow dispatch from Stockholm, an N.B.C. announcer in Moscow on August 4 made the following broadcast on the German-Soviet fighting:

"The position of the Soviet armies in the southern front is becoming increasingly important. Judging from the reports which have come from the front, the Soviet forces have been forced to retreat to a point 80 kilometers southwest of Salisk behind Beirayagrina, as a result of furious battering by the German mechanized forces, infantry and aircraft. The Soviet forces have also been forced to retreat from Kretoskaya in the northern part of the Don Basin.

In the Stalingrad sector, which has been quiet for some time, action has again started, according to a Moscow report via Stockholm. German and Italian forces, dividing into two forces but maintaining close contact, are driving toward Stalingrad from Kretoskaya, 110 kilometers northwest of Stalingrad. The situation is considered serious.

The Luftwaffe, cooperating with the land forces in the Don River sector, has destroyed a large number of Soviet tanks and several hundred units of artillery, and has bombed and demolished 5 railroad stations south of Stalingrad, according to a German announcement reaching here from Berlin.

RED PARTY IN CHINA TO CURB CHUNGKING

Conference to Be Held in Move To Forestall Growth of Chiang's Influence

Domei

NANKING, August 4.—According to reliable but unconfirmed reports received here Tuesday, the Chinese Communist Party, which has been holding an extraordinary session at Yen-an, Shensi Province, since August 1, apparently is discussing what attitude it should take toward the Kuomintang following the withdrawal of the pro-Chungking Chou En-lai faction from the Communist Party.

The party, it was said, also is discussing measures to cope with the increasing efforts of Chungking to expand its influence in the northwestern hinterland of China.

Meantime, the reports stated, Chinese Communist leaders already have decided to call a conference of its representatives in Shensi, Kansu and Ninghsia provinces, prior to taking steps to forestall the growth of Chungking influence in that part of China.

War Results Given

Domei

CHEKIANG FRONT, August 4.—In the course of extensive mopping-up operations in the Lishui, Wenchow and Juian sectors in southeastern Chekiang Province from June 9, Japanese Forces so far have killed 1,235 Chungking troops and captured 106 others, it was learned today.

In addition, Japanese Forces were reported to have taken large quantities of war materials and ammunition, including 24 heavy and light machine-guns with 15,000 rounds of machine-gun ammunition, and 291 rifles with 50,000 rounds of rifle ammunition, besides 200 junks.

Chungking General Worried

Greatly alarmed over the deterioration of the quality of the Chungking Army, General Chang Chih-chung, Chief of the Political Affairs Section of the Military Council of the Chungking regime, in his radio speech recently, addressed to the educated class under the jurisdiction of the Chungking regime not to evade conscription, for with the inferior quality of the present army, Chungking could not hope for a victory, reports the Miyako.

General Chang Chih-chung is credited to have stated "With a large army of well-trained and well-equipped troops, one can hope for a final victory, but with the present inferior quality of soldiers we cannot guarantee any sort of victory, as the greater portion of our army consists of untrained and illiterate men fresh from the remote country. In these circumstances, it is to be earnestly desired that the educated class shall not attempt to avoid conscription which complicates the drafting of men into military service and reduces defensive power.

On the other hand, General Ho Ying-chen, Chungking's War Minister, is reported to have submitted to the Executive yuan a revision of the law for drafting men in the Army so that strict punishment can be meted out to those who attempt to evade conscription.

Shanghai to Collect Relics

Domei

SHANGHAI, August 5.—In conformity with instructions from the Executive Yuan, the Shanghai Special Municipality has ordered the administrative authorities of the 12 districts under its jurisdiction to collect relics and written records bearing on the Nationalist Revolution and to send the collections to the Central authorities for safe custody.

Shanghai Banks to Register

C.P.S.

SHANGHAI, August 5.—All industrial and commercial establishments, including banks and native banks which operate godowns, must register with the Bureau of Social Affairs on or before August 15. Failure to register within the specified period will render the offenders liable to punishment according to law.

PLOT TO DUPE INDIA IS SEEN AS FAILURE

(Continued From Page 1)

thinking about the Indian question which will be approved by them because it is the way in which every intelligent Indian is supposed to think about what sort of relationship should exist between India and Britain.

The following comment was made in informed quarters on the strange move of the Indian Government:

"The Mahatma's plan is of a nature that leaves us in no doubt that he is an unerring judge of the world outlook.

Answer to Arguments

"Britain has been exerting itself to win over the Indian masses by dangling before them the ghost of a threat to Indians from Japan. Mr. Gandhi's ill-fated resolution was the answer to all the arguments which have been produced by Britain in support of its contention that India is threatened by Japan.

"As for the refusal of the working committee of the Congress Party to consider the Mahatma's plan, it seems to be explanable by the current situation. It would be too much to expect the committee to adopt resolutions such as that proposed by the Mahatma, remembering the position in which India is placed at the moment. In all probability the committee when it turned down the Mahatma's proposals was actuated by considerations of tactics to be employed by India in its dealings with Britain.

"The unfavorable action of the committee on the Mahatma's resolution does not mean that plans of like nature stand no chance of being adopted by the committee. There is no reason why a new situation should not challenge the Congress Party to re-open the question of the Mahatma's plan. This is a possibility which is proof of the fact that the series of statements from Premier Hideki Tojo about India has gone home to the Indian masses.

India Ready for Meeting

Domei

LISBON, August 4.—Since his arrival at Bombay yesterday, Mahatma Gandhi has been busy arranging plans with the representatives of the Indian National Congress Party coming from all parts of the country for the All-India Congress Committee meeting to be convened on August 7, according to a report received from Bombay today.

Pandit Jawaharlal Nehru has also arrived in Bombay and is understood to have reported to Mahatma Gandhi the response of the Indian people at large to the Wardha resolution of the Working Committee of the National Congress Party.

Describing the tense atmosphere in Bombay a Reuters correspondent in Bombay reported:

"The threatening atmosphere underlying the Indians has come to the fore. Everywhere in Bombay and New Delhi people are gathering and whispering among each other, the symbol of the non-obedience campaign under Mahatma Gandhi, while some people in excitement have hurled stones at trains for military use.

"Orders issued by leaders of the Congress Party are being spread. Some claim that they should boycott or carry out a one-day general strike at the beginning of the non-obedience movement, while others maintain that all Britons in India should be deprived of their legal rights.

"The members of the Congress Party are in high spirits and are showing the attitude of not giving up the movement even if they should be imprisoned.

"As a measure to appease the masses, the Government of India proclaimed yesterday that those who have had their boats and carts confiscated shall be indemnified. However, it is a foregone conclusion that the Wardha resolution of the Working Committee calling for the withdrawal of British political influence from India will be approved at the forthcoming meeting on August 7.

"Out of 300 members of the Legislative Assembly, members of the Communist Party, totaling only 10, may stand against the Wardha resolution. However, those members of the Communist Party will not maintain a pro-British attitude at the sacrifice of other members of the Legislative Assembly."

Leaders at Bombay

Domei

LISBON, August 4.—With the arrival of Mahatma Mohandas K. Gandhi and Maulana Abul Kalam Azad, president of the Congress Party, at Bombay this morning, a meeting of the Working Committee of the Congress Party was held at 4 o'clock in the afternoon to discuss and arrange for the All-India Committee Meeting which is scheduled to be begun August 7, according to a dispatch from Bombay received here today.

CANTON BANS OLD NOTES

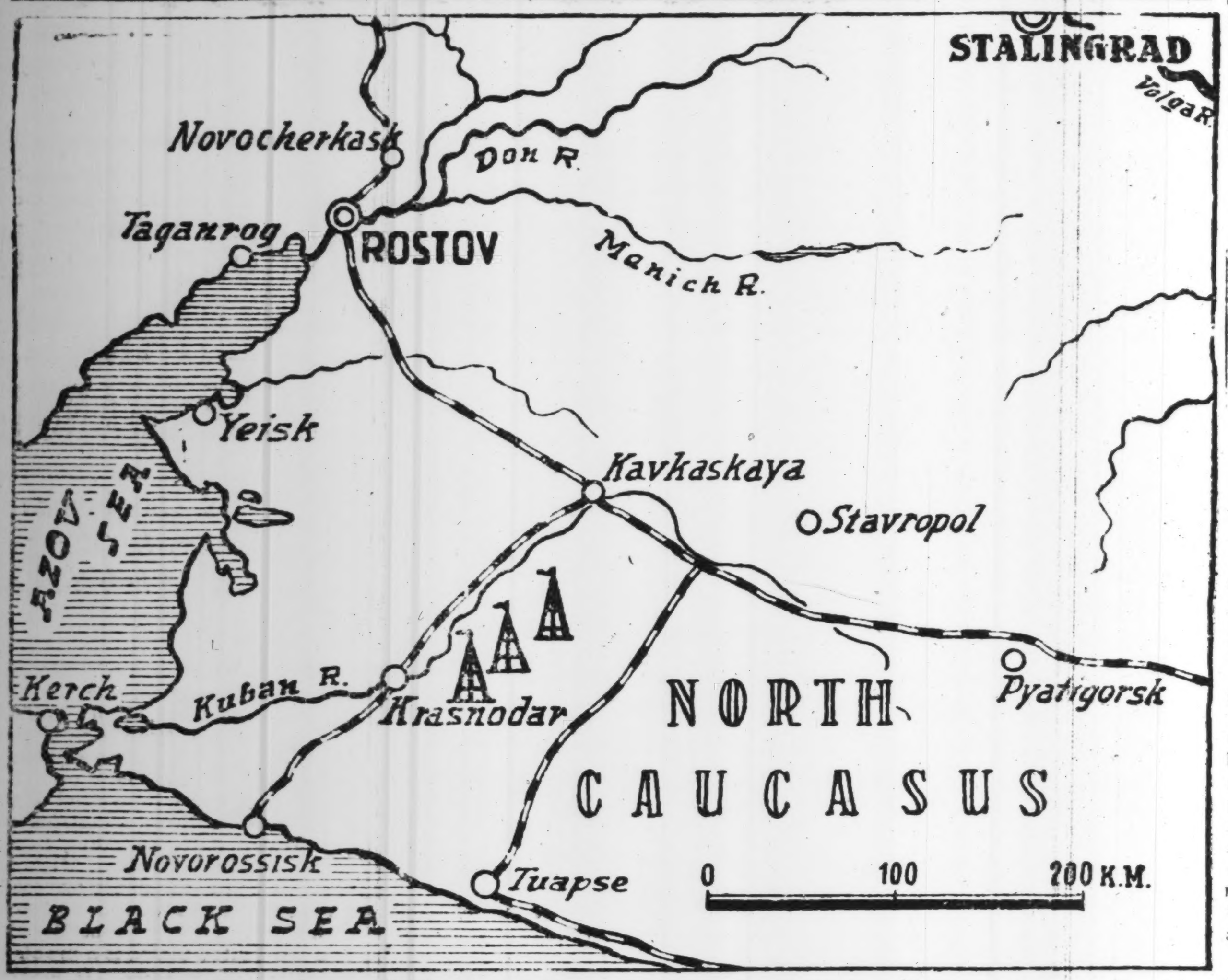
Punishment Meted Out to Violators By Police

C.P.S.

CANTON, August 4.—Prohibition of the circulation of the old notes of the Central Bank of China, Bank of Communications and Farmers' Bank of China has been strictly enforced by the local authorities beginning from July 25. Police inspectors are being sent out to investigate and all persons found violating the regulation are brought to the police stations for punishment.

The deadline for the conversion of old notes into new fapi expired on July 24, and since then all local business houses have offered and accepted only the new legal tender for payment.

German Forces Enter Oil Producing Center



According to latest dispatches from the Soviet-German front in the North Caucasus, the German forces have already occupied Krasnodar and are pressing on to Tuapse, the oil exporting port on the Black Sea. If Tuapse falls the Soviets face the likelihood of being surrounded by the Germans, observers declare.

E. ASIA PRESS CONFERENCE ENDS FIRST DAY'S PROGRAM

Representatives Call at Military Hospitals to Thank Soldiers

Domei

HSINKING, August 5.—The delegates to the East Asia Press Conference, now being held in this city in commemoration of the tenth anniversary of the founding of Manchoukuo, completed its first day's program today.

At 9 a.m., all delegates, five from Japan headed by Mr. Katsuji Fuse of the Osaka Mainichi, three from China, headed by Mr. Chao Muju of the Central News Agency of China and five representing Manchoukuo, under the leadership of Mr. Yoshisaburo Matsukata of the Manchoukuo News Agency, proceeded to the Hsinking Shrine to pray for the prosperity of Manchoukuo and the eternal friendship among the countries the delegates represent.

After paying respects to the Government and the Kwantung Army, they were guests of the Government at a luncheon party held at Yamato Hotel.

From 2 o'clock in the afternoon the delegates called on several military hospitals to express their thanks to the wounded soldiers, and presented them with flower vases

THAILAND IS CONSIDERING NEW LABOR LEGISLATION

To Increase Supply of Manpower in State Activities, Compulsory Service Is Plan

Introduction of epochal labor legislation similar in nature to laws in force in Germany, is being considered by the Thai Government with the object of increasing the supply of labor power, according to an Asahi report from Bangkok Wednesday.

It is revealed that the Thai Government is considering compulsory requisitioning for labor services of men, as well as women physically capable of working.

According to present plans, the Thai Government will allocate the available labor supply to five different branches of State activities, namely: agriculture, household industry, commerce, manufacturing industry and general mechanical industry, it is understood.

Meanwhile, the Thai Government has decided to grant farmers, industrialists and merchants the same honors and privileges as military officers and government civil officials in view of the important roles which those civilians are asked to play under the wartime situation, the Asahi report revealed.

CENTRAL RESERVE BANK OPENS HANKOW BRANCH

Creation of More Offices Also Planned to Spur Absorption of Fapi

Domei

HANKOW, August 4.—With the absorption of the old fapi in the Wuhan area expected to begin on August 10, the branch office of the Central Reserve Bank in Hankow, which held its inaugural ceremony yesterday, opened for business today.

Meanwhile, the Central Reserve Bank reportedly is planning to establish branch offices in Kiukiang, Nanchang, Ichang, Shashih and Yuechow in order to speed up the collection of the Chungking currency in areas along the Yangtze River.

Press Comments

(Continued From Page 1)

is tantamount to an espionage operation, but placed at the end of its rope, such a trickery could not have been avoided particularly at a time when the anti-British movement in India is growing in intensity.

It is possible that such a diplomatic tactic might result in inviting more scorn and antipathy of the Indians but hardly possible to alleviate the iron will of the Indian people to gain their freedom.

Election of Mayor

YOMIURI-HOCHI—Although it had been decided among members of the recommendation committee to recommend General Ayao Kishimoto unanimously for Mayor of Tokyo, a final balloting was made necessary by the rise of a faction of opposition. Because the election of the city assembly had gone smoothly under the recommendation system, and the offices of chairman, vice-chairman, and important committee heads, which usually were sources of much heated positioning, were settled either through recommendation or by appointment, it was expected that the election of the Mayor too would be carried out in the same manner. However, the still existing elements of the old political party days, who, to maintain their own influences, formed an opposition faction, which the new chairman of the municipal assembly not used to the ways of the assembly, was unable to handle effectively.

The situation which arose has served as a good lesson. The habits of the old party days are not such things that die out quickly. It will do no good to consider government as too simple a thing.

Since the new Mayor is now in office, the next thing to do is for him to choose his assistants. The new Mayor has no political background and consequently he will have to choose from all fields. It is hoped that the assembly will awaken to its duty and cooperate in every way to aid the new Mayor.

BUDDHIST CELEBRATION TO BE HELD IN HSINKING

To Commemorate 10th Anniversary of the Founding of Manchoukuo

In celebration of the tenth anniversary of the founding of Manchoukuo, about 50 Buddhists will rally in Hsinking for three days from September 1, it was learned here Wednesday.

Among those to be present at the rally are Mr. Tsutomu Yasuda, Vice-President of the Japan Buddhists Federation, and 13 others. They will arrive in Hsinking in the latter part of August.

The schedule of the rally includes, besides the religious programs, the adaption of a joint declaration of Buddhists of Japan, Manchoukuo and China. Lecture meetings will also be held in the Manchoukuo capital.

VARIOUS EVENTS TO MARK MANCHOUKUO CELEBRATION

Hsinking, Scene of E. Asia Press Conference and Athletic Meet Beginning Today

Domei

HSINKING, August 4.—In celebration of the 10th anniversary of the founding of Manchoukuo, various events will be held here, including a four-day East Asia Press Conference, beginning today, of more than 200 newspapermen from Japan, China and Manchoukuo at the Public Hall.

For two days equestrian events will be held at the riding-ground specially established at Nanling. A long distance horse race from Hsinking to Kilin and back will also be held among representatives of all provinces in Manchoukuo.

From August 8 the four-day East Asia Athletic Meet will be held at Nanking and Hsinking, participated in by thousands of young men, while during the same period a martial arts meet will be held at Hsinking.

A total of 147 Japanese stars will participate in the martial arts competition, the group arriving here at 7:20 p.m., Tuesday. On August 12, the Greater East Asia Construction Exhibition will be opened at Hsinking.

MANCHOUKUO APPOINTS MINISTER TO THAILAND

Cheng Yu, Councilor of the General Affairs Board, to Be Sent to Bangkok

Domei

HSINKING, August 5.—With the recent arrival of Luang Visutra Virajjades, the first Thai Minister to Hsinking, the Manchoukuo Government has decided to send Cheng Yu, Councilor of the General Affairs Board, as Minister to Bangkok. The Manchoukuo Legation in Bangkok will open in September, it is learned here today.

The new Manchou Minister to Thailand is the second son of the late Cheng Hsia-hsu, the first Premier of Manchoukuo. He graduated from the Seijo School, Tokyo, and later from the Liverpool University, England. He served as Chief of the Metropolitan Construction Bureau and Mayor of Mukden.

Peking to Donate Theater

PEKING.—The Open Air Theater of the Greater East Asia Exhibition, built to receive more than 15,000 people, with the stage painted yellow and with complete fittings of a modern theater, will be presented to Ning Yuan after the Exhibition. It will be another recreational center for the residents of the port city.

Swank French Club in Shanghai Refuses To Accept Britons, Americans as Members

SHANGHAI—The Cercle Sportif Francais, more popularly known as the French Club, has decided to refuse membership to nationals of Britain and America as well as nationals of countries whose governments have severed diplomatic relations with Japan.

This decision was reached to effect closer cooperation between Japan and France, it was pointed out.

While former members of the French Club of British or of American nationality have not been asked to resign, a few of them who were contacted stated that they will voluntarily withdraw from membership of the Club.

The French Club, located in one of the most exclusive residential areas of Shanghai, has long been the social center of British and American nationals. Its membership has always been international, with the majority of members being British, American and Russian.

Its lawn has been boasted as one of the most beautifully kept in Shanghai, and in summer is invariably transformed into a sea of tennis courts. Apart from tennis, members of the Club were given the privilege of swimming in the biggest indoor pool in the city.

MAYOR BARES PLANS TO RESTORE MANILA

(Continued From Page 1)

chief in each ward.

Including the people who have returned to the city from their refugee life, the population of Manila is currently estimated at approximately 700,000. The budget, however, has been curtailed to about ¥4,000,000, which is less than one-half of the city's appropriation before the war. The number of officials has likewise been reduced by about 50 per cent.

Reporter: What is your aspiration for the economic reconstruction of Manila?

Mayor: Manila's economy before the war was completely dependent on the United States, simply distributing the commodities imported from America to rural districts and shipping out what products were accumulated in the city to the United States. This state of affairs has greatly hampered development in the industrial field.

In future, however, an autarchy, to a certain extent, is necessary. Toward this end, light industries using materials found in the Islands must be built up. In order to be prepared for such an eventuality, the municipality must stipulate the so-called factory zones as well as carry on researches in the other fields involved. For this purpose, the removal of factories now in Japan and technical guidance by the Japanese are absolutely necessary.

Reporter: I believe it would be to the advantage of the Philippines to send some one to inspect the Japanese cities under wartime condition. Why don't you send some of the officials in high positions, or better still, visit Japan yourself?

Mayor: I should like to go myself if circumstances permit. At a future date, when communications and transportation means have been restored to normalcy, I should like to exchange students, "artists" and sports missions, and also dispatch persons to study the administrative system of Japan.

CHINA PUBLICITY MINISTER FETES CONCORDIA SOCIETY

Lin Pai-sheng Broadcasts Message of Encouragement on Organ's Decade Anniversary

C.P.S.

NANKING, August 4.—Expressing his felicitations on the tenth anniversary of the Concordia Society and voicing the hope for the harmonious cooperation of China, Japan and Manchoukuo, as implied in the name of the Society, Lin Pai-sheng, Minister of Publicity, delivered a congratulatory message to the Concordia Society in Manchoukuo from the Central Broadcasting Station in Nanking recently.

"When I had the privilege of accompanying President Wang Ching-wei in his State visit to Manchoukuo some time ago", began Minister Lin. "I was greatly impressed by the active spirit of the Concordia Society.

"'The name of the Concordia Society' implies that concerted efforts will be made to establish a New Order of peace and co-prosperity in East Asia."

Continuing, Minister Lin said, "When President Wang Ching-wei was visiting your country, he explained etymologically the meaning underlying the name of the Society, which calls for the whole-hearted cooperation of China, Japan and Manchoukuo.

"The War of Greater East Asia, has translated ideals into realities, so that it is possible now to preserve national existence at home and to resist aggression from without."

Minister Lin expressed his wish for a bright future of the Concordia Society, the prosperity of Manchoukuo and the solid unity of East Asia.

'Greater Shanghai' Rapidly Under Way

(Continued from Page 1)

Shanghai, especially the light industries, are now being rehabilitated.

With the establishment of the Shanghai Municipality's Chamber of Commerce, all business in Shanghai began to resume normal operations and the speedy progress of industrial Shanghai is expected when it starts trade with the southern regions.

The most striking phases of change in Shanghai are seen in the cultural World-Ardent enthusiasm for the study of Japanese, interchange of Japanese and Chinese cultures, and new educational principles advocated by the Japanese special service organ in Shanghai.

The city planning for a Greater Shanghai newly laid out by Japanese experts dispatched from Tokyo is entirely different from the former plan made before the outbreak of the War of Greater East Asia. It was deliberately designed so as to have Shanghai adapted to the new situation in East Asia.

In the present plan, the International Settlement, the specific areas and the Putang area are allotted for factory zones while those areas which were designated for factory zones in the former plan are set for schools and model residential quarters.

Yangtze Dykes Inspected

C.P.S.

HANKOW, August 5.—With a view to preventing the possible overflooding of the Yangtze River, Chang Jen-li, Mayor of the Hankow Special Municipality, made a tour recently along the Yangtze River to inspect the dykes and flood-prevention works.

Premier Honors Hero-God

Following his address before the officials of the Gumma Prefectural Office, Premier Hideki Tojo left for Maebashi City and visited the birth-place of the late Commander Naoji Iwasa, the Hero-God of the Navy, in Amakawara on Wednesday.

After offering incense and flowers, the Premier spoke comforting words to the aged parents as well as to the elder brother of the Hero-God, leaving for the capital via Takasaki Station late in the afternoon. This picture shows the Premier returning the welcome of Takematsu Iwasa (right) and Goroji Iwasa (clad in uniform at left), two brothers of the late Commander Iwasa, with a courteous salute.

Good News of Son and Daughter Returning From U.S. Gladdens Mrs. Pibul Songgram

When an elaborate banquet was given the other day by the Thai Defense Minister in Bangkok, the attention of the ladies and the dignitaries attending was focussed upon a richly-gowned lady, who was behaving just like a queen, reports an Asahi Bangkok dispatch.

She was Mrs. Pibul Songgram, wife of the Thai Premier, and the banquet was held in honor of the First Lady of Thailand who had been appointed a Lieutenant-Colonel in the Thai Army. For years she struggled with her husband who exerted himself to build a new Thailand and she was compensated for this devotion to her husband. She is also the leading figure in social circles in the Thai capital.

Her happiness was doubled on receiving the news that aboard the Asama Maru, one of the exchange ships, her 23-year old son and 21-year old daughter were coming back from the United States. Since the outbreak of the current War of Greater East Asia, she was worried about the fate of her beloved son and daughter residing in England and the United States.

When this reporter visited Mrs. Pibul Songgram in her villa located in the suburbs of Bangkok, he was surprised to find the lady conservatively dressed, quite different from that on the occasion of the elaborate banquet given in her honor by the Thai Defense Minister.

Mother of three children, she said to this reporter:

"It is already several years since I parted with my children. Since the outbreak of the Greater East Asia War I did not receive any news about their whereabouts in England and America and they have been a constant source of anxiety and worry to me. But they are coming back and I am glad that I can see their faces once more. You can perhaps imagine my joy."

Nogues Returns From Vichy

Domei

VICHY, August 4.—General Emile Nogues, Resident-General of French Morocco, who has been in Vichy conferring with the Government, yesterday returned to French Morocco.

He was accompanied by the French Air Secretary who is scheduled to undertake an extended inspection tour of Casablanca, Rabat and other principal cities in French Morocco.

Anhwei to Boost Farming

C.P.S.

PENGPU, August 4.—With the object of making further improvements in the agricultural production in Anhwei Province, the Agricultural Experimental Station established by the Anhwei Provincial Government is planning to organize a society for the improvement of farming. Efforts will be made to enlist the services and assistance of all the agricultural experts in the province.

ARMY SURGEON, NAVY PILOT DIE IN ACTION IN SOUTH

Commander Okane and Surgeon Lieutenant-Commander Hidaka Serve Nation

It was officially announced last Saturday that Commander Shigeru Okane and Surgeon Lieutenant-Commander Yasuhiro Hidaka were killed in action, reports Domei.

Commander Okane was born in Ibaragi Prefecture. After graduating from the Naval Academy in 1929, he served on board the Warships Furutaka and Tama. Later he was appointed pilot instructor at the Kasumigaura Aviation Corps, staff member of the Laboratory attached to the Naval Aviation Arsenal, and chief pilot of the Aviation Corps at Tsuchiura. He was killed in action in the East Indian Ocean on June 1.

Surgeon Lieutenant-Commander Hidaka was born in Tokyo. After graduating from Jikei Medical University in 1939, he was appointed first assistant-surgeon and has since been in active service. He was killed while engaged in an official duty in the South Sea Area.

JAPANESE TO HAVE GARDEN

Playgrounds in Hongkew to Cover 11 Acres

SHANGHAI—The Japanese community in Shanghai will in the near future have another public garden in Hongkew, as the Shanghai Japanese Residents' Corporation recently filed a formal application with the Japanese Consulate-General for the construction of a new park.

The projected park will be situated in the vicinity of Kashing Bridge at the intersection of Kashing and Dixwell Roads, and is expected to cover an area of more than 11 acres. A swimming pool will be built within the park grounds.

The laying-out of the park will commence immediately after its construction has been formally approved by a special session of the Corporation's Assembly.

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VAST CHANGES SEEN IN SHANGHAI TODAY

Restrictions Compensated by Peace, Order as People Reform to Life of Domesticity

There was a time when Shanghai had a very good claim to be considered the world's most distressful city but with the outbreak of the War of Greater East Asia, a big metamorphosis has overcome the great international city so that today, Shanghai enjoys peace and order, comments the China Leader of Nanking, describing the past and present conditions prevailing there.

"We lived always in the midst of alarums and excursions, in perpetual fear of a volcano erupting underneath us," the magazine says. "Embattled armies had been several times at our gates, in the course of which whole sections of the city were bombed and razed to the ground. In between whiles, the gunman and kidnapper abounded, and of recent years hardly a day went by without a terroristic outrage of one description or another. Our streets were barricaded with barbed wire, and armored cars patrolled them. Our policemen went armed with tommy guns and revolvers, protected with bullet-proof waistcoats.

"Then in December last, from being a neutral zone Shanghai became engulfed in the war, and peace and quiet paradoxically descended on us. Terrorism has ceased, war seems further away than ever, so much so that Shanghai today is probably one of the safest places in the world in which to live—which makes one wonder sometimes at the eagerness displayed by some people to leave it. Certainly Europe can offer no such security from shells or bombs, nor Australia, nor India. Even the coasts of America have had their shocks.

Some Drawbacks

"Wartime Shanghai, however, if safe, is not without its drawbacks. No longer can one phone for a taxi, gone are our own motor cars, only the most plutocratic can afford to run one even if authority gives permission. Instead we have to pedal ourway everywhere, or walk, unless we can scramble standing room on a crowded tram or trolley bus.

"Yes, if war has brought us peace, it is not a peace without its terrors. But even to this gloomy picture there is a brighter side. With the departure of the motor car the streets are certainly safer; no longer can the statistics traffic accidents be made a hissing to us. No longer does the traffic problem give Commissioner Baker grey hairs and sleepless nights—there is no problem worth speaking of. The streets are quieter too, and the night is not made hideous now with motor horns, and sleep made impossible. Nor is the air polluted with the bus company's exhausts.

"If we have to cycle or walk everywhere, the exercise is doing us good. Figures are taking on proper productions, all to the betterment of our individual health. Plainer living also has its compensations. If there are fewer T-bone steaks, there is less indigestion, and fewer wisky sodas means fewer headaches. If there is no light-life, there is more home-life, and many a family is discovering the humbler but saner joys of domesticity, and the truth of the old adage about early hours.

"Golf is giving way to gardening, and in contact with nature many an erstwhile businessman is finding refreshing relief from the hectic rush and artificiality of modern civilization.

Home Sweet Home

"Meanwhile at home his wife, thrilling to the new found pride of housewifely achievement discovers that a permanent wave is not the only way to a permanent place in her husband's affections. Altogether life in wartime Shanghai is more leisurely simpler, safer and more healthy.

"Shanghai, in fact, by this count would seem to combine all the attractions of a city of refuge, a rest cure and a health resort. Still I can think of places to which we would prefer our doctor to send us.

"Since December last year, business in Shanghai has been carried on very largely on a cash basis. Credit is a thing almost of the past, rarely asked for, and even more rarely granted. It is a distinct privilege to be allowed to run an account; goods are usually only delivered strictly C.O.D. This is a system not without its good points. The customers is prevented from slipping, either sensibly or insensibly, into insolvency, he has to live within his means, while the trader has fewer bad debts.

"There are, however, a great many inconveniences, which are accentuated by the fact that bank accounts and cheque books have gone the way of other credit institutions. Thus the individual has always to carry far more money on him than is really desirable, and is compelled to keep very large sums in his house, which in these days is a cause of constant anxiety.

Cash Basis Only

"It is not until the cheque book ceases to operate that one realizes how great a convenience it is, not merely for the relief it gives from the anxiety connected with the holding of money, but also for its general simplification of payment. As an example of the inconveniences attached to the passing of the cheque book there are the long queues at the offices of the French Power Company. Formerly 60 per cent of its customers paid their accounts by cheque, which were dealt with systematically and without rush behind closed doors. Now almost everyone has to turn up and pay cash, which gives the company far more work and trouble, since the cash has to be counted and change given, while at the same time the public's time, energy and patience are wasted.

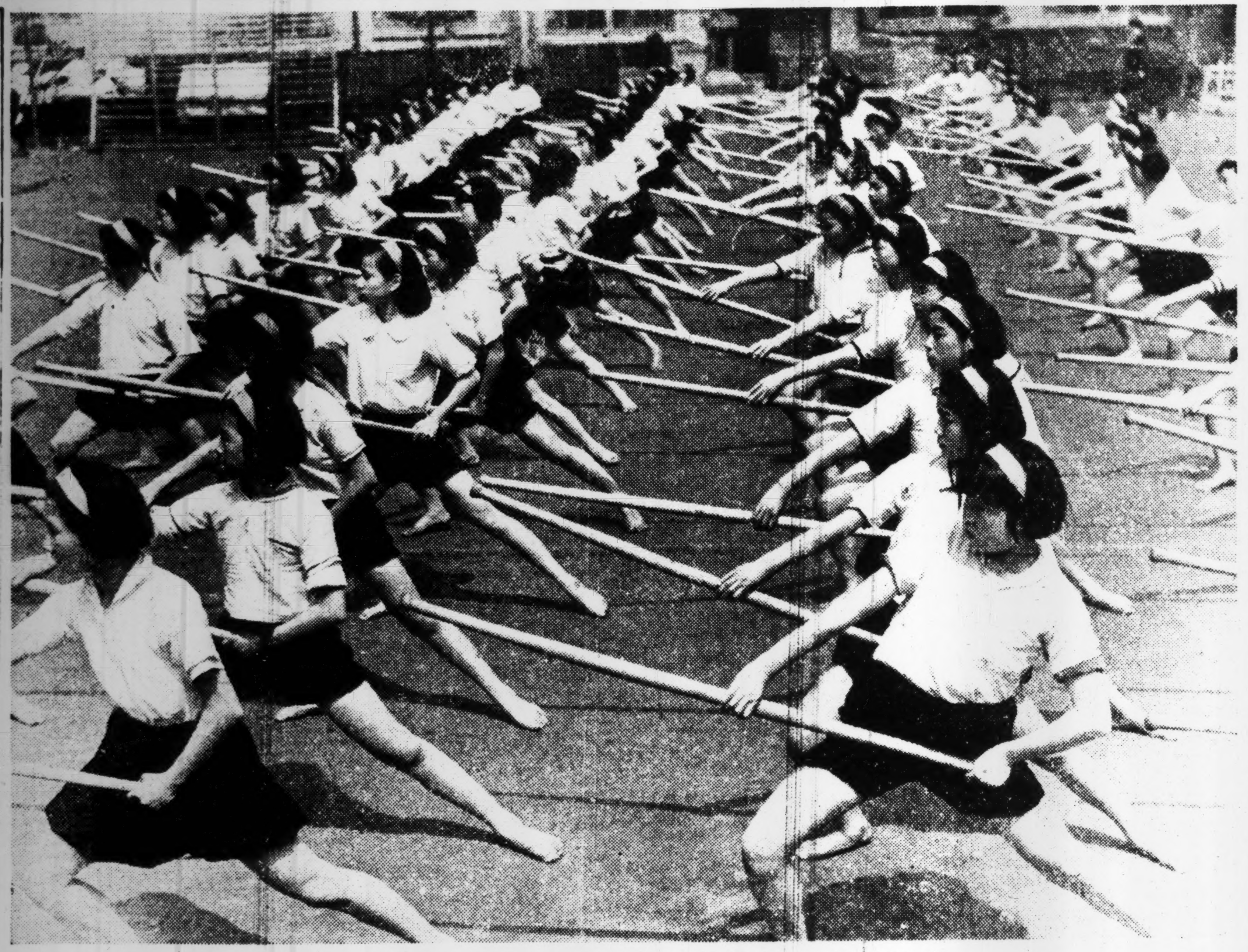
"The sooner we get back to bank accounts instead of stockings the better. Early on, it was perhaps inevitable that the existing system should receive a shock. Many of the largest banks were either British or American or under Chungking control, and obviously measures had to be taken to restrict their activities, until they were put on a better basis.

"As a result large numbers of accounts were frozen, and very many people were unable to secure their funds, or at least could only secure a small portion of them. The natural consequence was a tendency on the part of the public to resolve to keep its cash in future where it could always be sure of getting its hands on it.

"At the same time, with so many banks temporarily, at least, out of action, banking facilities, especially for the small man, have ceased to exist. Thus, for example, the not inconsiderable band of employees of the local municipalities and public utility concerns, who formerly had their salaries paid into a bank account, now are paid out in cash. One of the necessities of the present situation in Shanghai is the restoration of banking facilities for the small man, along with his confidence in banks as safe repositories for his money. Not only will this make for smoother business working, but also will make available a lot of capital at present lying idle in private hiding places.

"The inconveniences of this cash basis of business are made worse by the number of torn notes that the quality of paper used, combined with the greater amount of handling, has created. The exchange shops have found in this an opportunity for another racket, refusing to accept such notes except at a considerable discount. In consequence the public in general refuses to take torn notes. Thus every transaction is dragged out by the necessity to subject every note to a strict examination, and often rendered acrimonious by dispute.

"The Central Reserve Bank is doing its best to remedy the situation by making arrangements to exchange torn notes at par, but unfortunately the facilities provided do not meet the demand. More efficacious would be a Government decree that torn notes are legal tender, and providing drastic penalties for anyone refusing to accept them.



GIRLS BUILD HEALTH WITH MOKUJU (WOODEN GUN) DRILLS

REFUGEE DESCRIBES FATE OF CHUNGKING

(Continued From Page 1)

city. Within the walled city there lived many acquaintances of ours and as we might be called spies by them, we avoided going into the walled city very often. At that time, virtually all people within the walled city were affected by malaria and extreme danger prevailed there.

One of the outstanding things in Chungking was the high prices. One picul of rice cost 1,600 yuan. One candle cost 30 yuan. But materials were unexpectedly plentiful, it seemed, and we noticed that much rice was entering the city from Hunan Province. After the fall of Hongkong, wicked merchants became active. There was much grudging, and less than half of the goods was displayed at the stores as compared with two years before.

The shortage of gasoline forced substitute cars to be employed. Buses were being run on rape-seed oil, and cars for hire on alcohol. The anti-air-raid shelters were not so complete as at Kweilin, and as the entire populace could not be accommodated, the ticket system was used. A single ticket for entrance into a first-class shelter equipped with electric light cost 600 yuan a year. The lowest-class ticket cost 300 yuan a year. As the bombing season nears, the residents vie with one another for buying such tickets. We were given the privilege to use government-shelters and there we always escaped when the city was bombed.

Cheered by Nippon Victories

The aspect of the Chungking regime has undergone a serious change to an extent beyond imagination due to the War of Greater East Asia. In Chungking, the present war is being called the Pacific War. How delighted I was when I heard from my husband that Japan had crushed the American naval base in Pearl Harbor!

The pitiful figure of the Chungking regime trying to depend upon others by means of the ABCD joint front was definitely disclosed before the eyes of the people. They came to hold deep doubts as to the attitude of the government which had advocated "independent resistance" so far. Of late, even the report that a pro-Anglo-American faction and another faction opposed thereto are disputing with each other within the government have reached our ears.

Even when the Chungking press propagandized that the Japanese Forces were now fighting a bitter fight in Hongkong or Singapore, the general public knew that these places had already fallen into Japanese hands. Many false reports had trained the populace so well that they became indifferent to any propaganda report. The citizens began to look coldly at Chiang's regime in deep consternation on account of Japanese victories.

How many people tried to escape from Chungking when Wang Ching-wei's new regime was born in Nanking! If my husband had been in Chungking when Mr. Wang escaped from the city, he would have been able to flee to the peace camp together as he is an old friend of Mr. Chou Fo-hai's. I regret it very much. I regret that we stopped at Kweilin on our way.

People in Chungking did not give up hopes of peace.

Internal Trickery Exposed

The report of removal of the Chungking regime to the hinterland had been afloat since summer two years before when Japanese air raids were especially intensive. The citizens were panic-stricken. Should the government seat have been shifted to Sian, for instance, the officials in general would not have intended to go there, except leading officials. While we stayed in Nanking before the outbreak of the China Affair, we were compelled to offer 100 yuan monthly as an aircraft building tax. It was the air force that worried Chiang Kai-shek most seriously.

It is said that Chiang Kai-shek made up his mind to put up a thoroughgoing resistance as he felt relieved as a number of planes contributed by government leaders under an individual name shortly after the outbreak of the Affair. In fact, however, one plane was contributed today in Hankow and tomorrow in Hongkong with its body repainted. Chiang Kai-shek was deceived by this trick. Besides, it was known that Sung Mei-ling, the wife of Chiang Kai-shek, the then air force Commander-in-Chief, had pocketed the money of donations. Getting angry at this fact, Chiang Kai-shek reproached his wife, who, however, excused herself, saying, "The technique of aircraft manufacture is daily progressing. I intend to buy planes when they are needed in reality." I heard this story from a certain leading official in Chungking.

Escape From Chungking

A chance for making our escape from Chungking came at last. With a traveling permit which my husband obtained from a friend of his, saying he is going to Hunan Province because of the death of his father, we left Chungking at 5 p.m. of March 15 this year. Soon after my husband left his office, he and myself and two children and three Chinese relatives, totaling seven persons in all, boarded a steam boat from a wharf on the Yangtze river.

Our whole family was determined to die if need be. In carrying out this plan of escape, I encouraged my husband so many times with so much enthusiasm that his peace movement might not waver even if it cost the life of our family. When I look back on our experiences of two years at Chungking, I am seized with a very strong inspiration. On this day of our escape from Chungking, the weather was very fine, which is rare at that place. The ferry service to Manhsien in the lower reaches of the Yangtze cost 40 yuan. Spending two days more in reaching Santopei by boat, we came to a distance of only 70 Chinese ri from Ichang. As we learned that this locality was the foremost advanced line of the Chungking forces and the Imperial Army, with danger to all travelers, we determined to take a southern course.

In covering 500 Chinese miles (about 500 kilometers), to reach Kung-an, northwest of Tungting Lake, we travelled in rain over a series of mountains and valleys and many other hilly localities. When we finally reached Kung-an, I fell ill. Spending a week here in recovering from illness, we found that our money amounting to 10,000 yuan which we had when leaving Chungking had been all spent. Moreover, Kunganhsien is situated on the border of Hupei and Hunan, so the travelling permit in our possession made it necessary for us to change our course to Lihsien, Hunan Province, but it would send us away from the peace-established zone.

Finally it was decided that we, seven persons, should pretend to be hailing from Ankwei Province. Abandoning the travelling permit and clothing we had, we turned into beggars. With a refugee permit newly obtained from the Hsienkung Office, we came in two days by boat to Mapu, east of Kung-an. It was at this place that we succeeded in making an arrangement to hire a boat to Hankow on a contract of paying 500 yuan on reaching the destination. In this direction was the headquarters of the 128th Division that gained a great reputation in Chungking so the inspection of traveller was very strict.

Spending about a week, we reached a small town of Haipeifang on a tributary of the Yangtze. Fortunately, just at this time, we met the Imperial troops which came down from the hinterland for the purpose of taking the place of other troops. We were seized with unbounded joy. Our boatmen, who became afraid of the Japanese troops, tried to escape. We caused them forcibly to approach the boat with the Japanese soldiers. Finding that the caps of the Japanese soldiers to be different from what we used to see hitherto, we wondered for a time that they might be Changking troops. However, as the private soldiers were wearing woollen uniforms which is never worn except by officers in the Chungking army, we knew that the soldiers belonged to the Imperial Army.

"When we made a salutation to the soldiers, we ascertained them to be Japanese soldiers. We were overwhelmed with joy. Seized with deep emotion, we could not speak a word for a moment. I felt so happy because I had a chance of speaking the Japanese language for the first time in years. The soldiers were also surprised to see us at such a place. All the Japanese soldiers were very kind to us. Among them was Sergeant Komori who came from Yokohama. We reached Hankow on April 18, just one month after we escaped from Chungking. I was in China for the past 14 years. Though I was in a Chinese family and lived in the hinterland, I never forgot to give thanks to my fatherland. Through my sincerity I could bring my husband and my children to the path of peace, and we are spending joyful days with deep gratitude in our heart."

INDIANS BOW TO Y.C.A.C. IN 2ND CRICKET MATCH

Tourney Ends in Score of 79 Runs to 34—Harriss Takes Batting Honors

In the second cricket game of the season played Sunday at the Y.C.A.C grounds in Yokohama, the club team scored a sweeping victory over the India Cricket Team with a score of 79 runs to 34. F. R. Harriss was the top scorer in the match.

Although the captain of the Y.C.A.C. team lost the toss, the privilege of batting first was received.

Silva and Bielous were the first up at the stumps, but although they showed fine form, they were soon made out. Harriss then followed up, with Lord following in order.

Hitting a few boundaries and running up a score of 27 runs, Harriss was finally bowled out by Chainani's fine straight ball. Another tempting ball by Sobhraj also caught Lord unawares, and he was also promptly stumped.

As the score was 43 runs at this stage of the game the Y.C.A.C. team began to lose hopes for garnering many more runs, but Fernandes, Gordes and Petroff batted brilliantly, and soon brought up the total to 79 runs.

In the afternoon the Indians came up to bat, with Sobhraj and Rewachand coming up first to the firing line. Both played steadily, but soon, Rewachand was caught out on the slip.

Sobhraj, however, demonstrated excellent technique by chalking up 20 runs single-handed for his team, closely followed by Chainani and Khoob with lesser scores.

Putting up a furious struggle, the Indians displayed fine form at the wicket, and had it not been for the excellent fielding of the Y.C.A.C. members, the laurels would undoubtedly have gone to the Indians. The highest bowling honors went to Pararam and Lord of the club, and to Chainani of the Indian team.

Dallebas Arrives in Kuibishev

Domei

KUIBISHEV, August 4.—Robert Dallebas, new Belgian Minister to the Soviet Union arrived in Kuibishev on August 1 from London.

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RE-EDUCATION PLAN FOR SOUTH STUDIED

Writer Stresses Importance to Investigate Systems Employed in Past

With the complete occupation of the Southern Regions by the Japanese Army, Japan is now in a position to take up the task of reconstructing the economic, political and educational structure in the occupied areas. In order to secure the wholehearted cooperation of the native inhabitants in the construction of the Co-Prosperity Sphere it is most urgent to re-educate them on new principles. Before starting out on the important educational campaign it is necessary to become acquainted with the educational policies used by the European rulers in the education of the native inhabitants who had been under their control.

The educational policies which had been adopted by the European Powers were twofold, namely the policy of assimilating the native people with the customs and languages of their rulers, and that of keeping the native people apart from the ruling class. A brief account of the education in the Southern Region prior to the Japanese occupation was recently published in the Shuho, a Weekly of the Board of Information, by the Investigation Bureau of the Education Ministry. The gist of the article is as follows:

Spanish System

Spain ruled the Philippines for 300 consecutive years starting from the sixteenth century and lasting till the end of the nineteenth century. The Spanish rulers did not take the educational problem very seriously, leaving the task largely in the hands of the Catholic missionaries who limited the education of the native people to the teaching of the church doctrines and religious dialogues. Sometime in the middle of the nineteenth century they founded some educational institutions for the native people, but they thought three years was sufficient for them.

American Policies

With the occupation of the Archipelagoes by the United States the Americans immediately started the task of educating the Filipinos in accordance with their ideal of education. With the purpose of assimilating them with the American mode of life, they taught the English language in schools as the standard language while many educational experts were sent to the Philippines. The educational task was successfully carried on and within some 40 years many native young men and women were trained to become capable leaders of their own people. The Americans built elementary schools which were again divided into two grades, namely the first four years as Junior grade and the next three years as Senior-grade. After the elementary schools four year high schools and four to six year colleges were founded. The Filipino children were able to take their Junior grade in their respective towns or villages. In spite of the encouragement of the Americans, only some 36% of the children attended the first Junior grade and only some 26% of the graduates went on to the Senior grade. Out of the graduates of the Senior grade of the elementary schools some 20% of them continued their study in high schools. Various kinds of technical schools were also built for the convenience of those who wanted to take up occupations after finishing high schools. In those technical schools the study of agriculture was greatly encouraged, the Philippines being an agricultural country. Some 20% of the high school graduates entered the universities, such as the Philippine University, St. Thomas University, Manila University and few others. In all these universities law, commerce, and literature courses were always crowded with the student applicants while only a few took the science courses. Though the Americans provided the Philippines with sufficient educational facilities they did not seem to have paid much attention to the general standard of living of the Filipinos. Owing to their poverty many Filipinos could not afford to send their children to high schools and colleges.

In East Indies

The Dutch control of the East Indies started with the founding of the East-Indies Company back in the seventeenth century. The education of the native people in the East Indies under the control of the East Indies Company and even after the Dutch government officially took over the control, was limited to a small number of children of the privileged class. But with the advent of the 20th century, Britain, the United States and Germany started developing the primitive lands in the southern regions. To cope with those great powers the Dutch government needed the cooperation of the native people. The Dutch government, giving up the former educational policy started the construction of schools for the native people. First, they built some 400 schools in villages, but within the last thirty years the total number increased by some 17,000. The Dutch policy of keeping the native inhabitants in the inferior position was apparent in the sphere of education. Numerous elementary schools, middle schools and high schools were founded for the native people. Those elementary schools were instituted on three year system, the school buildings built mostly in the villages. The education in these schools were very unsatisfactory with only two teachers for some 100 pupils. During the three years the pupils were able to acquire only the elementary knowledge of reading, writing and mathematics. The education being not compulsory, only some 40 per cent of the children attended the elementary schools and only some 30 per cent of the elementary school graduates went to higher schools. Some vocational guidance was given to them at various technical schools, but only a few utilized the system. Apart from those educational facilities for the native inhabitants, special seven year elementary schools were founded particularly for the children of the Europeans, overseas Chinese, and some native privileged class. The graduates of those elementary schools were qualified to continue their study at high schools and colleges later on. At the colleges the courses were divided into engineering, law, and medicine. There is also a special course for the training of the students to become government officials, attached to the colleges. The education in those colleges was given on the line of the European mode of education, and four languages namely Dutch, English, German and French were required in the curriculum. Thus the education for the native people was suppressed while the European, overseas Chinese, and some privileged native children were provided with well equipped education facilities.

In Malay Peninsula

The Malay Peninsula is divided into three sections, the colonial section, the Federated Malay States and one other. The educational system adopted in the British colony was followed by the other two sections. The British control of the peninsula started sometime at the end of the eighteenth century when she founded the British East-Indies Company. The systematic education was first instituted in 1822 with the installation of the school-inspector in Singapore. The educational system is separated into the elementary, the middle schools and the universities. During the five years at the elementary schools the Malayan children were taught the technique of agriculture and were also given adequate knowledge of productive industry. The British government apparently devoted to the improvement of the living condition of the native inhabitants. But on the other hand they seemed to have neglected the education of the overseas Chinese and Indians.

The graduates of the elementary schools were qualified to go up to the middle language schools. The Malayans were exempted of their tuition at the language schools, but inspite of this privilege only a few Malayans seemed to have taken advantage of it. Besides those language schools, some vocational schools were built for the native people, while two universities in Shonan were giving higher education to the graduates of the language schools.

The British provided various facilities for public welfare, by giving health guidance, training them in the music appreciation, and showing them good educational moving pictures, and organizing the youth corps.

The British government first attempted the economic invasion in Burma through the East-Indies Company and practically ruled it as a part of India from 1885 to 1937 when finally Britain separated it from India with the establishment of the Governor-General in Burma. The educational system resembles that of India, the elementary education being conducted in the native tongue. The peculiar feature of the elementary education in Burma is that it is conducted in the schools attached to the monasteries in the villages, independent from the central educational administration. At these monastery schools, elementary reading, writing, and mathematics were usually taught by the priests. The attendants of those schools numbered some, 76,000 (75 per cent of the pupils are of the lower grades). It is said that 39 per cent of the entire population of Burma is literate according to the investigation of 1934. Higher than the elementary schools, some middle schools were instituted where English, or Burmese, or both languages were used in conducting instructions. The only university in Burma is built in Rangoon, which consist of the medical, law, science, and the education departments. The same university is instituted on six year system, two for the preparatory study and the rest of the period for the regular university course. It seems that Britain made more efforts in giving high education to a few number of people than propagating general education among the public.

Prior to the French occupation of the French Indo-China, the country was separated into three Kingdoms, Annam, Lasio, and Cambodia. In the year of 1861 France officially took control of the entire territory. The education of the native people had previously been carried on in the hands of the Catholic missionaries. The French government entrusted it in the hands of the Confucianist adherents and in those Catholic priests. First the French rulers attempted to assimilate the native people with the French mode of life and language, but without avail. Since then they built the elementary scholos on three year system in villages, in temples, and in the mountains. Inspite of the effort of the French government, only 30 per cent of the children enrolled at these schools. Apart from these elementary schools, special schools for the children of the privileged class were established where the French language was used extensively. Those who graduated from the middle schools for the privileged children, were qualified as applicants to the university in Hanoi and to various institutes in the city. They were also qualified to enter the universities in France. Aside from these schools for the native youngsters, proper educational institutions were established for the French children residing in French Indo-China. The equipments and curriculums were similar to those of the schools in their motherland and consequently they found no difficulty when they wanted to change to the schools in France.

Thus the French government applied the assimilating policy to the education of the privileged children while she left the education of the masses in the hands of the native teachers.

Thailand Stands Alone

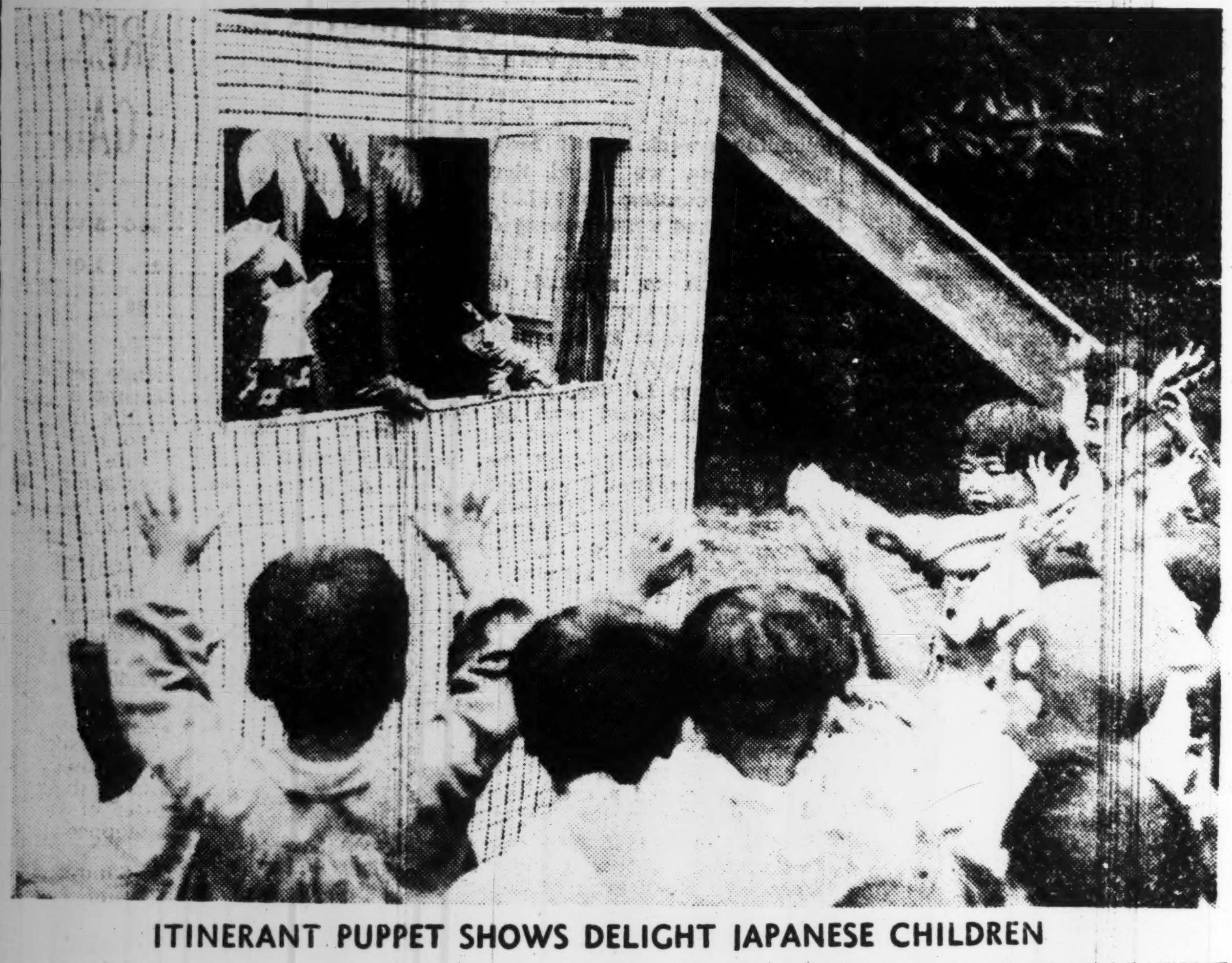
Thailand as the only independent nation in the southern regions, adopted special educational policies and system suitable for her countrymen. 80 per cent of the elementary education has been carried on by the Buddhist priests in their temples. Sometimes ago the Christian missionaries from Britain and the United States built Christian mission schools. The king of Thailand who witnessed the modern educational system adopted in those mission schools started building government schools on the modern system and finally in 1921, he proclaimed the promulgation of the compulsory education. For higher educational institutions, there are schools of technology, commerce, agriculture and household economics. In the University of Bangkok engineering, medical, educational, pharmacy and other departments are used, while the departments of politics, general administration, law, and economics are established in the university of the civil administration. Besides these universities, some colleges sponsored by the War Ministry, Navy Ministry, and Cummunications Ministry are found in the city. Suitable for the country of the constitutional monarchy, Thailand has been taking steady steps toward the betterment of the education of her people.

Education In India

India was controlled by the East Indias Company for many successive years before she was finally annexed to the British Empire sometime in the middle of the last century. The elementary education schools of five-year system were established while the compulsory education was regulated in one province after another. But owing to several reasons such as poverty of the people, inferior quality of teachers and unsympathetic attitude of parents, only 40 per cent of boys and 10 per cent of girls of the school age attended the elementary schools. The middle schools are divided into two kinds, the one being the English school with three years Junior grade and another three years Senior grade, and the other, being schools of the native language where no Senior grades are provided. For the purpose of higher education, there are 18 universities with their various colleges. Those who have finished the high school curriculum are qualified as applicants to those universities where they are to study for three or four successive years before they receive the bachelor degree.

The British educational policy was to leave the masses illiterate while she gave high education to a few people to train them as competent government officials for their own convenience.

Japan is going to re-educate all these different races with a plan stressing the bringing about of perfect harmony among the nations in the Co-Prosperity Sphere. It is certainly a great task which should be started with the full understanding of the peculiarities of the native inhabitants in the various countries in the South.



ITINERANT PUPPET SHOWS DELIGHT JAPANESE CHILDREN

What of the Rialto?

By Tsunejiro Amakata

Depicting the arduous work of Japanese who devoted themselves with fervent zeal for the cultivation in the Southern Regions, a new play entitled "Davao Kaikonki" (History of Reclamation in Davao, P.I.) in four acts will be the main attraction of the forthcoming second performance of the Sangoza modern-school dramatic troupe. Rehearsals will start shortly for the contemplated presentation of the drama, which is scheduled for six days from September 1 at the Kokumin Shin Gekijo, Tsukiji. The drama will be produced by Tatsuji Yokokura and will be directed by Yuzo Yamamoto, noted writer.

"Sujiku Ningyo" (Axis' Dolls) will be the title of a new grand revue in 20 sketches, which is promised to be the feature offering in the special autumn performance of the Shochiku Revue Troupe, opening at the Osaka Gekijo from October 1. Under the direction of Koichi Egawa, extensive preparations have already been started with music by Masayuki Iwakawachi.

Torazo Hirozawa, popular Naniwabushi singer, will be the guest player at the Tokyo Gekijo from August 13 when a fashionable melodrama called "Kiwameтsuki Shimizu Minato," a four-act play by Torazo Kamiya, will be staged with Torazo in the title role, instead of "Otoko no Aijo" (Man's Love), now being staged.

In order to make the initial performance early in October, actors and actresses headed by Fukuko Sayo, former No. 1 star player of the Takarazuka Girls' Opera Company, and Mitsugu Fujii, popular Shochiku screen actor, are now discussing definite plans with the leading theatrical groups in the capital. If everything goes well they will be able to play at the local Shinjuku Daigeki, one of the leading theaters in Shinjuku district early in autumn.

Divided into two groups, the Shinsei Shimpa theatrical troupe left Tokyo recently for a circuit performance in rural districts. The first group entrained for Okayama and Hyogo prefectures with its repertory program, including "Kazoku" (Family). The second party went to Akita Prefecture, where performances will be given at 10 villages.

After a lapse of 40 years, the Shimpa Seigeki (the orthodox drama dealing with the characters and events of everyday life) will be revived by Noboru Umejima, one of the veteran stage players, who recently quit the Shimpa Theatrical Company. Plans are now under way for the premiere performance, which is scheduled to be given at the Shinjuku Daigeki toward the end of this month.

To entertain the industrial workers at the home front, Tomoyemon Otani, noted Kabuki actor, and his own group left Tokyo recently to make several performances in Tochigi, Nagano, Matsumoto and Shizuoka prefectures until the end of next week. For the same purpose, another party of legitimate stage players headed by Yaeko Mizutani, noted stage actress, departed for Niigata, Fukushima and Aomori prefectures.

The Kabukiza has arranged a special summer program, particularly to please children, consisting of newsreels, cultural features, juvenile dance and music. The performance will be given in the afternoon until August 20 before the curtain rises for the regular monthly performance of Kabuki play.

Radio Program

Subject to Change Without Notice

Regular Program (Weekdays)

NEWS: 5:30, 7:00 a.m.; Noon, 3, 5, 7, 9 and 10 p.m.
TIME: 7 a.m.; Noon, 7 and 10 p.m.
Radio Exercise: 6, 7:50 a.m.; 2:45 p.m.
Market Reports: 11:30 a.m.; 4:30 p.m.
Music for Workers: 2:30 p.m.
Program Announcement: 5:50 p.m.
Juvenile Hour: 10 a.m.

Thursday

— Morning —

6:30 Morning Talk, Narration, "The Mother of Heroes," by Announcer Asanuma.
7:00 Time; News; Music, "Orchestra Concerto in A Minor" (Vivaldi) and "Concerto for Four Pianos and Orchestra" (Vivaldi-Bach).
8:00 Summer National School Hour; Talk, "Summer Training," With Phonofilm.
9:00 Wartime Housekeeping Hour: "I Lived in the Philippine Islands," by Hiroko Nakaya.
10:00 Juvenile Hour: Monologue, "Water Pistol" by Kazuko Shimizu.
11:00 National School Teachers' Hour: "The Discipline of a Great Nation," by Yoshisuke Tazawa.

— Afternoon —

12:00 Seio Wind Music Banad.
1:00 Narration: "The Life of a Fish," (K. Suehiro) by Announcer Akanuma.
2:30 Workers' Hour: Music and Radio Exercise.

— Evening —

6:00 Children's Hour: News; Talk, "Spirit of Laboring," by Hisao Umeda.
6:30 Lecture; National Chorus.
8:00 Military Hour: Radio Drama, "Young Wild Eagles of the Japanese Air Force," by Ko Mihashi and others.
9:00 News; Talk, "U.S. Economy in Crisis," by Masami Shimoda; Broadcast from Batavia.
10:00 Time; Today's War Situation and News.

TOHO STUDIO MAY FILM LIFE OF WANG CHING-WEI

Kinugasa Negotiating With Nanking President and Army For Approval

SHANGHAI—Subject to consent by President Wang Ching-wei of the Nanking Government, and the approval of the Japanese Expeditionary Forces in China, a film will be made of President Wang's life.

The picture will be made by the Toho Motion Picture Company in Tokyo in cooperation with the China Film Company. Teinosuke Kinugasa, noted director of the Toho Company, arrived in Shanghai recently for this purpose.

He will proceed to Nanking in a few days to make further arrangements and to obtain the approval of the National Government, as well as to obtain permission from the headquarters of the Japanese Expeditionary Forces there.

Film of Sun Yat-Sen Ready

PEKING—Thanks to the efforts made by the North China Motion Picture Production Company, official permission has been given by the Government authorities in North China, for a public show of a film recording the funeral of the late Dr. Sun Yat-sen, founder of the Chinese Republic, who died in Peking in 1925, and the removal of the coffin embodying his remains from Peking to Nanking in 1931. This film which was taken by a noted Chinese cameraman of the World Motion Picture Production Company, Chang Yu-ting was recently purchased by the North China Motion Picture Production Company.

Sai Shoki Gives Repertoire

PEKING—Sai Shoki, the Japanese dancer, is on a further visit to this city at the invitation of the Japanese military authorities. She intends to be here for about ten days on this occasion, and will spend some of the time studying Chinese dance rhythms, which she will use in her new creative dances on her return to Tokyo.

U.S. Tries to Change Territorial Waters

(Continued From Page 6)

method which will, by its simplicity, avoid friction, ill-feeling and recriminations. There is little doubt that the modern tendency to exact everywhere a high, uniform standard of protection is only one more branch of the deadly upas tree of international plutocratic greed.

Such is the present situation: it would in one conspicuous respect have approved itself to Cornelius van Bynkershoek, for he strenuously contended for the primacy of belligerent rights. For they were concerned, he observed, with national life or death—while neutral rights were merely matters of commercial interest.

The writer does not affect to admire all of these changes. Much of one's time and effort have been spent in resisting them, within the insignificant limits of one's capacity, when introduced by the United States and the Empire of Russia. But the question is not what individuals would prefer, but what the general understanding is: and it would be affectation to pretend that it remains what it was. Nor, in an age in which neutrals can hardly be said to exist, does there appear any likelihood that the position of neutrals will be rendered more favorable in the immediate future. Had Great Britain known that her true interest was to keep the seas free for neutrals, she would have been much better off today.

(End)

ASAHI NEWS THEATRE
Theater Street, Yokohama
From August 6th to 15th Tel. (3) 0832
1. Asahi Homegraph, No. 97
2. Aviation in Stormy Weather, 3 reels—a picture of aeronautical science
3. Merry Spring Weather, a Japanese cartoon
4. Let's All Swim! A German Ufa sports picture
5. Nippon News, No. 113—German and Italian Forces advance in north African campaign—Japanese Forces occupy Wenchow Castle, Central China
Admission: 24 sen (inclusive of tax after December) for Adults, 10 sen for Children

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20th–26th BRIGITTE HELM in GOLD
27th–2nd Sept. Jacques Feyder's Production DIE KLUGEN FRAUEN (La Kermesse Héroique)
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Music by Mr. M. Oka
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3. Dancing "Churei" (Loyal Spirit) Produced by Mr. S. Mizuta
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Real Estate, Wanted

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Wanted to Rent, Tokyo

HOUSE or apartment, foreign, furnished, wanted by small German family, garden desirable. Omori-ku preferable. Reply to Box 275, Japan Times, Tokyo.

Wanted to Buy

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GOLF sets, binoculars, pianos, accordions, typewriters, electric refrigerators, washing machines, radios, furniture, safes, carpets, sewing machines. Matsumoto Shoten, 9 Ageba-cho, Ushigome-ku. Tel. Ushigome 34-3564.

PIANOS, electric refrigerators, furniture carpets, safes, wanted at high prices. Especially attractive prices will be paid for pianos or electric refrigerators. Apply Shioda Shoten, 23, 1-chome, Kamidori, Shibuya-ku. Tel. Aoyama 36-1940.

USED furniture bought at high prices. C. Matsushita, furniture merchant, No. 172, Motomachi 4-chome, Naka-ku, Yokohama. Tel. Honkyoku 2-4448.

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PROF. Dr. Med. H. Grauert. Hours 11-1 or by appointment. German, Japanese, English, French, Spanish spoken. Medical Office, No. 35 Yamashita-cho, Yokohama (opposite Center Hotel). Tel. 2-2060.

PROF. Dr. K. Nakajima, skin and blood disease specialist. English, French and German spoken. Hours: 9-12 a.m., 3-6 p.m. Closed on Sundays and holidays during August. 1 Ginza-nishi 5-chome, 2nd floor of Taya Store on street car line from Sukiyabashi, a few blocks from Imperial Hotel side entrance. Tel. 57-0315.

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TRADE ASSOCIATION JOINT MEETING HELD

Sino-Japanese Trade Board Assemble to Discuss Commodity Prices

VARIOUS PRINCIPLES FIXED

Plan to Realize Smooth Interchange of Goods Between China and Japan

Leading Japanese members of the East Asia Board connected with the Chinese representatives of the Sino-Japanese Trade Association held their first joint meeting in Shanghai recently to exchange their views as the desired stabilization of commodity prices and the ways and means for adjustment of relations between the Sino-Japanese Trade Association and local dealers concerned. Commodities discussed at this meeting numbered eighteen, among the most important were iron and steel, non-ferrous metal, various ores, raw cotton, wool, rubber, lumber, mineral oils, coal, rice, etc., reports a special dispatch from an Asahi correspondent in Shanghai.

The gist of the dispatch follows:

"The Sino-Japanese Trade Association has been formed because of the necessity to effect the industrial and economic rehabilitation in Central China and also, at the same time, to create a sound foundation of the Greater East Asia Co-Prosperity Sphere, making Shanghai its center on the strength of harmonious relations between Japan and China under the sponsorship of the Japanese Army and Navy. At the recent meeting, the representatives forming the liaison body was entrusted with the mission of guiding the parties concerned. The liaison body fixed the following principles for the attainment of their object:

(1) That stocks of key commodities be constantly checked, that counter-measures be taken against hoardings, withholding of goods for sale from the public, dispersion of goods, and outflow of goods into enemy zones.

(2) That investigations be conducted into the actual condition of factories operated by Japanese and Chinese enterprisers, that the grades of commodities be standardized by effecting the consolidation of the manufacturers and that the deliveries of raw materials and finished products be controlled, so as to facilitate the formation of a planned economic structure.

(3) That rise in prices of commodities be checked so as to ensure the livelihood of the populace and realize the smooth interchange of commodities between Japan and China.

With the unification of the currency already enforced in the form of the Central Reserve Bank notes, the local authorities are bending efforts for the circulation of these notes far into the remote corners of the Nanking regime, and are going ahead with the price formation policy for the object of fixing commodity prices on a reasonable basis. On the other hand, the local authorities are as much intent on the protection of manufacturers and consumers in and around Shanghai as on the smooth interchange of commodities between Shanghai and the remote corners of the farming community.

United States Seeks Way to Check Inflation

(Continued from Page 6)

possibility is that once such an exceptional step is taken, the Government shall have to resort to many more such exceptions, with the result that life-planning would ultimately become a skeleton affair.

The question of fixing the prices of agricultural products and the wages of laborers is indeed a grave problem for President Roosevelt. It can be easily solved provided the intensity of hostilities against the United States by the Axis Powers is reduced to a great extent, but as such a hypothetical lull is impossible of conception, President Roosevelt will have to think out a new workable plan. Furthermore, should the value of the American dollar fall precipitiously, the American national life would be completely upset. In that case, President Roosevelt will have to devise ways and means to check inflation at the expense of curtailing the productive capacity of the armament industries. On the other hand, since Japan, Germany and Italy are bent upon demolishing the military potentiality of the United States, President Roosevelt will not have time enough either to replenish his war machine or to initiate the new life-planning on a harmonious scale.

Slumbering Americans

It is indeed strange that at this moment of super-emergency confronting the nation, the American masses have not yet fully realized the advisability of abandoning their materialistic fetishism. They do not seem to ponder that their ancestors founded the country by practising the ideal of "live and let live." In fact, the fundamental ideal of America, which envisages the utility of living in peace and harmony with other peoples, has been relegated to the background to nationalize the so-called ideal of monetary materialism. To them, money has become everything, and as a consequence, they have lost their spiritual power and vigor to maintain their traditional way of life. It is a fact that the United States has amassed wealth beyond the conception of other nations, and yet it is finding it difficult to meet the exigencies of war. This shows that material potentiality or monetary power cannot stand and give battle to a national power backed up by solid national determination.

It needs no argument to assert that America's self-complacency will seriously undermine its national strength. President Rooevelt has plunged the country into an unnecessary war in order to stick to his own set of utopian principles and unworkable ideologies. Time is bound to come when the American masses will begin to wonder why their country is waging a war in Europe and East Asia, far away from the Western Hemisphere. They may also come to realize that there is no reason for America to hinder the return of normalcy in Europe and East Asia, especially when they are not in any way menaced by the rise of a metamorphosed life in those areas. But when the American masses will come to view the situation in that light is not possible to predict, since they are still under the spell of materialistic fetishism.

Mining Equipment for South

The above photo shows a sectional view of the type of filter now in use in various metal mines in Japan. Thanks to the highly efficient functioning of this device, valuable ores are speedily separated from waste and useless matter. It is felt certain that these machines will be shipped to the Southern Regions in the future to meet requirements in mines now under development there. (Photo by courtesy of the Nippon Kogyo Shimbun.)

Closing Quotations Of Key Local Bonds, Stocks, Commodities

Closing prices of key local stocks, commodities and bonds yesterday on the Tokyo, Yokohama and Osaka exchanges follow, in yen:

		Comp. with prev. day
Tokyo Exchange, new, short-term	134.3	+ .30
N.Y.K., new short-term	93.1	— .10
Kanegafuchi Spinning, new, short-term	101.2	Same
Government bond, Kogo 5s	107.45	Same

C.R.B. NOTES CIRCULATE IN MORE AREAS OF CHINA

Will Replace Old Fapi in Wuhan Triborough District Starting August 10

It will be remembered that the Nanking Government effected some time ago the all-round exchange of the old fapi for the Central Reserve Bank notes in the provinces of Kiangsu, Chekiang and Anhwei as well as Nanking, Special City of Shanghai and South China, says the Asahi. Thus the currency of the old fapi has been nullified in these districts.

In view of the continuous fall of the old fapi in the Wuhan Triborough District and the intense sufferings caused thereby to the local inhabitants, the Nanking Government has decided to rectify the situation by inaugurating the circulation of the Central Reserve Bank notes in these districts, reports a special dispatch from an Asahi correspondent at Hankow. As a matter of fact, this bank is scheduled to commence an all-round exchange of the old fapi for its notes at the ratio of two to one at its new branch office at Hankow, beginning August 10. Circulation of the old fapi will simultaneously be prohibited.

The dispatch adds that the old fapi has been totally removed from the Japanese-occupied areas. This means that the currency in the Japanese-occupied areas in China has been unified on the strength of the Federal Reserve Bank of China notes and the Bank of Inner Mongolia notes as well as the Central Reserve Bank notes and our Army scrips, and that the monetary influence of the Chungking regime is thus foredoomed to a miserable end.

JAPAN'S TRADE FLEET WILL DOMINATE SEAS

Must Prepare Vigorously From Now for Vehement Post-War Competition

(Continued From Wednesday)

In order that the mercantile fleet of Japan may promote Japan's maritime transportation while simultaneously serving the country in prosecuting the War of Greater East Asia, some of its mercantile vessels must be constructed even from now for use in the conveyance of ordinary passengers. Such vessels must be so constructed as to be serviceable in maritime transportation outside the Greater East Asia Co-Prosperity Sphere.

Some people may deem it premature to prepare for the post-war situation. Indeed no one can tell when the present war will end. But, I think that the Japanese nation, which is striving to become one of the greatest maritime nations of the world, must always be prepared to cope with any situation that may arise in maritime transportation of the world.

No one knows how many years the war may last. But one thing is certain. That is, that a vehement competition will start among the maritime nations of the world soon after the present war is concluded. And the competition will be won by the nation which has the best merchant marine at the outset of the competition. If we take into account the fact that the issue of post-war competition among maritime nations is to be decided in accordance with the tonnage and quality of the mercantile fleet possessed by each competing nation, we have no time to lose in preparing for that competition. Nay, we even believe that the only way for us to follow to further the brilliant results of the present war is to make every possible preparation from this very moment for the post-war competition.

Under Supervision of Navy

Fortunately, the expansion of the mercantile fleet of Japan is to be conducted under the direct supervision of the Imperial Navy, the most powerful naval force in the world. The Japanese mercantile fleet, in close cooperation with the powerful Imperial Navy is in a position to execute the construction of the Co-Prosperity Sphere of Greater East Asia and establish its control over the seven seas of the world.

Some people are dazzled by the special circumstances arising from the War of Greater East Asia, and deem it sufficient to adjust the characteristics of Japan's mercantile fleet to meet the immediate demands alone. They are mistaken. Japan's mercantile fleet must be prepared to meet the demands both immediate and far ahead, so that it may have command over the mercantile fleet of all nations in the world.

A new form of management is essential for the healthy development of Japan's maritime transportation industry. In days gone by, the maritime transportation of the world was left to the free competition of all parties concerned, and development of the mercantile fleet of each nation was realized by the efforts and at the risk of one or more than one shipping concern. In the future, however, the development of the mercantile fleet must be realized under the control and guidance of the country to which it belongs. And all shipping concerns must be prepared to sacrifice their own profits where the pursuit of such profits is inconsistent with the interests of the country. In fact, the shipping concerns of Japan are already closely collaborating with the Government. This, however, is not enough. As is clear to everybody, the development of marine transportation is possible only when it stands on a myriad of technical industries at their best.

Therefore, those engaged in all branches of technical industries must renew their knowledge of the outstanding importance of Japan's mercantile fleet as a weapon of trade war and exercise their best efforts to build the most efficient types of mercantile vessels, so that Japan may rule the seven seas of the world.

(The End)

ECONOMIC REVIVAL GOES AHEAD IN JAVA

Banking Facilities Restored—Industries Resumed—Agriculture Protected

Relative to the remarkable progress Japan is making in the economic construction of the East Indies, the latest issue of the Diamond gives an interesting report expressing its confidence in Japan's final success in the heavy task on hand.

One of the most conspicuous characteristics of the present war, according to the Diamond, is the necessity of effecting speedy economic construction of all regions occupied as a result of the military operations. In other words, Japan must strengthen her military position through the speedy economic construction of all regions under its military occupation.

In this connection, the Imperial Forces in the southern regions, especially in Java Island, are achieving great success. Peace and order were restored throughout the island in only a few months after the capture of the island. And since the declaration on March 7 of the enforcement of Japan's military administration throughout the island, the native people, including officials and non-officials, the Chinese merchants numbering 1,000,000 and the Netherlanders numbering 200,000 are eagerly cooperating with the Japanese authorities in the island, considerably facilitating the economic rehabilitation of Batavia and other industrial centers of Java.

Upon capture of Java Island, the Imperial Forces there established a plan for speedy development of materials for munitions. Some of the factories in those industrial centers of Java were immediately placed under the command of the Imperial Forces, which started operating them with the least possible delay. Railway communications between Batavia and Surabaya was restored quickly, and trains are running between the two places regularly since the beginning of May.

Banking System Restored

The financing and banking system in the island is being restored quickly due to the extension of activities to the southern regions of the leading Japanese banks, including the Yokohama Specie Bank, the Bank of Taiwan, and South China Bank since May 10 last, and by the Mitsui Bank since May 20 last. The utilization of the ex-hostile banking system in the island is also helping the economic reconstruction of Java Island.

The reconstruction of various industries including salt manufacturing, match manufacturing, beer brewing, edible oil manufacturing, ship-building, automobile building, rolling stock building, etc is also showing rapid progress.

The administrative system is being re-established at a high speed. By the decision reached at the provincial governors' meeting held at Surabaya on June 16, the system of local administration is undergoing rapid reconstruction and adjustment. The political and economic circles of Java are assured of a much brighter future as can be seen in the words expressed by the Japanese military authorities at a press interview recently, the gist of which runs substantially as follows:

"We are making smooth progress in the industrial rehabilitation of Java, speaking from a general point of view. The industrial reconstruction of East Java, among others, has a great deal to do with the successful execution of the War of Greater East Asia. We are now striving for the perfect industrial restoration of Java with the earnest collaboration of the natives and Dutch experts.

At first, the native people were doubtful as to the possibility of perfectly restoring some of the industrial equipments which had been completely destroyed by the retreating enemy troops. Due to the enthusiastic efforts and the wonderful technical skill of the Japanese experts, the restoration of those industrial equipments has been effected in a considerably shorter period of time than expected at first, to the great surprise and admiration of all native people, who ever since are showing greater respect toward Japan and the Japanese people."

Agricultural Conditions

Now, let us make a brief survey of the present condition of the agricultural industries of Java.

For many years prior to the outbreak of the present war in the Pacific, Java had been exporting great quantities of sugar, quinine, tea, gum, coffee, etc. Only a very small portion of them was being consumed in the island. After the outbreak of the present Great War in Europe and the War of Greater East Asia in the Pacific, the export trade of Java has been entirely stopped, making the management of those industries almost impossible.

Upon the capture of Java Island, the Japanese military authorities, in view of the serious situation, immediately took all necessary measures to protect the native peasants and to provide for complete restoration of all such agricultural industries in the future.

On July 4, the Japanese military authorities in the island gave a statement providing for military control of all those agricultural industries, placing at the same time all matters concerning the production and transportation of the leading agricultural crops under the strict control of the military authorities, so that they might adjust the production with reference to the demands at present, on the one hand, and extending required aid to all natives who are obliged to retrench their business on the other. The measures taken by the Japanese military authorities there are due to their far-sighted policy to prepare for the trade war which will follow the present armed clash.

Ousting of Old Legal Tender Is Prerequisite For Reconstruction of Economy in China

The following article, appearing in a recent issue of the Oriental Economist, gives a lengthy review of how the replacement of the old Fapi notes by those of the Central Reserve Bank is positively playing a role for the stabilization of Chinese public life.

Recently, the National Government of China issued the proclamation depriving, on and after June 1, 1942, the old legal tender of its legal value and recognizing only the notes of the Central Reserve Bank as legal tender. The circulation of the old legal tender as legal currency will be prohibited for the present in the three provinces of Kiangsu, Chekiang and Anhwei, and in Nanking and Shanghai and the old legal tender will be exchanged generally for Reserve Bank notes at a ratio of two of the former for one of the latter.

Following the determination of the above policy, it has been decided to dispose of the four Chungking banks seized by the Japanese at the end of 1941 with their advance into the foreign settlement and to close the Farmers' Bank of China and the Bank of Communications to resume business after reorganization. Of course, the Bank of China and the Bank of Communications have been deprived of the right to issue notes.

The currency and banking system of China has thus been readjusted newly by the unification of bank notes to those of the Central Reserve Bank and is positively playing a role for the stabilization of the public life and the reconstruction of economy in Central China.

The Central Reserve Bank was founded on January 6, 1941, when it was officially decided to allow the circulation of the old legal tender at par for the time being.

Deprived of Commodities

The outbreak of the War of Greater East Asia and the American and British defeats have, however, isolated Chungking, which in consequence has become more and more destitute of commodities, while the old legal tender has had a growing tendency to become requisition notes, resulting in the severe depreciation of the old legal tender. In order not to have Reserve Bank notes ill-affected by the heavy fall in the currency, the Nanking Government resolutely cut off the par link between the old legal tender and Reserve Bank notes on March 30, 1942, and on the day following it decided on an exchange rate of 100 yuan of the old legal tender to 77 yuan of Reserve Bank notes.

For about 50 days since then, this rate was unchanged by the Reserve Bank, during which the old legal tender declined so markedly as to compel the exchange rate to be reduced at first to 74 yuan on May 20 and then to 50 yuan on May 26 in order to meet the decline in value. The downward tendency was so keen that if it was left to take its natural course, it was thought that it would go down to 40 yuan or to 30 yuan. For this reason some people advocated a rate of 3 to 1, when the present rate of 2 to 1 was about to be determined officially. The Nanking Government, however, while considering the position of the masses possessing the old legal tender, gave thought to the future of the note issuing bank and determined on an exchange rate of 2 of the old legal tender to 1 of Reserve Bank notes on the basis of the exchange rate of 50 yuan on May 26.

The details of the exchange are as follows:

For two weeks from June 8 to 21, the old legal tender in circulation was to be called in, but only the old legal currency of the Bank of China, the Central Bank of China and the Bank of Communications (the currency issued from the 29th year of the Chinese Republic was acceptable this time) might be offered for exchange, while the notes of the Farmers' Bank were excepted. Even the old legal currency of the above three banks was not to be exchanged entirely into cash in Reserve Bank notes.

Divided Into 2 Parts

According to the Detailed Rules of the Nanking Government, the old legal currency was divided broadly into two parts, (1) old legal tender in possession of other than the banking institutions (which means those receiving money on deposit and making advances as business, banks, money exchanges, native banks, and trust companies), (2) old legal tender possessed by the banking institutions. Regarding (1), such small lots aggregating not more than 10,000 yuan were to be submitted to designated banks and native banks and exchanged at once into Reserve Bank notes at the rate of 2 to 1, and if more than 10,000 yuan, they were to be submitted to designated banks and exchanged into Reserve Bank notes at the rate of 2 to 1, but the amount so exchanged was limited to 10,000 yuan, and the balance was to be deposited in Reserve bank notes.

Regarding the old legal tender possessed by the banking institutions, it was to be submitted to the Central Reserve Bank not later than June 10, accompanied with a detailed table of the same currency held on June 7, and exchange was to be made into Reserve Bank notes at the rate of 2 to 1, one-half of the amount submitted being deposited with the Reserve Bank, but it was left to the option of the depositors to choose between deposits in Reserve Bank notes and deposits in drafts, of which the latter will not be paid in cash for the time being, while 3 per cent is allowed, and the former may be drawn out at once, but no interest is allowed. The assurance has been given that the drawing out of Reserve Bank note deposits will not absolutely be restricted.

One-half of the old legal tender possessed by the banking institutions was thus to be deposited in Reserve Bank notes, and the other half in the subscription of the Financial Stabilization Bonds for the 31st year of the Chinese Republic. The bonds were issued on June 1 at a rate of interest of 6 per cent within a limit of 1,500 million yuan. The Regulations for the Financial Stabilization Bonds provide in Art. 11, that these bonds may not be sold or bought or offered as security without permission. This rule does not apply, however, to cases where money is to be raised from the Central Reserve Bank on the security of these bonds. The rule is supplemented by Art. 3, of the Notification of the Finance Department that the Central Reserve Bank shall make advances on the security of the bonds at par value, provided that there is a proper reason for it.

New Era Marked

In this way, a general readjustment of the old legal tender has been started, making a new stage in the Chinese monetary system. As may be noted from every official notification and discussions, the measure taken this time makes its principal object to stabilize national life. This is a matter of course, but is worthy of note in connection with the future policy of Reserve Bank notes.

The question is the future development of the problem. First of all, the vicious inflation of the old legal tender will inevitably grow in severity hereafter. Observing the financial condition of the Chungking government since the outbreak of the China Affair, the total amount of expenditure for the three and half years ending at the close of 1940 was 12,200 million yuan as against the total revenue of 2,240 million yuan. For 1941 the estimated expenditure was 6,000 million yuan, doubling the figure for 1940, but the actual expenditure is said to have run up to 15,000 million yuan, owing to the sharp depreciation of commodities. The total issues of the old legal currency were announced in July, 1941 to be 10,000 million yuan, but reached presumably 25,000 million yuan of late, being about 15 times as much as the pre-war figure. The Chungking government, which has been cut off from American and British support, has no alternative to replenish financially the power of resistance against Japan but to make more and more its own legal currency an instrument for military requisition, thus hastening its destruction.

The old legal currency circulation is big and extensive, which strengthens its root as a circulating medium. Moreover, it must be considered that there will be still some lengthy period before the general trust in the old legal tender among the Chinese people is entirely lost. The old legal tender is evidently collapsing economically, but political and social support given to it is saving it from falling quickly into an uncontrollable condition of confusion in its course of a complete collapse. These are factors which give an important course to a policy to be taken for ousting the old legal tender and for enlarging and strengthening a policy for economic stabilization by means of Reserve Bank notes. A future policy to strengthen Reserve Bank notes, would be to strengthen steadily and extensively their power of control over commodity prices. The policy of strengthening the notes to be taken hereafter will, therefore, naturally expedite further the recovery of economy in Central China.

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INSURANCE SHARES SHOW GREAT GAINS

Long-Term Section Also Showed Advances Over Long Range of Wares

The Tokyo Stock Exchange yesterday staged a singular phase of festivity in the wares of life insurance companies. In the spot market, for instance, the Meiji Life Insurance scored a skyrocketing jump of as much as ¥110.00 at one bound making its current value ¥1,010.00 per share. Following suit of this marvelous gain of the Meiji Life Insurance, the Teikoku Life Insurance jumped up ¥10.00, making its current value ¥210.00 per share. At the same time the Nippon Chemical Industrial stepped up ¥1.50 in the spot market.

Reflecting the upward swing in the spot market, the long-term section witnessed signs of recovery over a long range of wares handled in the same section. As a matter of fact, Kanebo Spinning, new stepped up ¥1.30, Hakodate Zozen and Nippon Heiki ¥1.10 each, Japan Sand Iron ¥1.60 and Japan Piston and Kita-Karafuto Oil ¥1.00 each.

The short-term section was likewise firm, and the major half of the listed wares scored fractional gains as shown below: Tokyo Exchange, new ¥134.30, N.Y.K. ¥108.70, its new ¥93.10, Kanebo Spinning ¥152.40, its new ¥101.20, and Osaka Exchange, new ¥72.70.

Long-Term Market

Long-term market prices in yesterday's afternoon session were:

	Clos.		Sept.	Oct.
First Section				
Fuji Spinning (50)	....	....	70.4	70.5
Do. new (25)	40.7	u .2	41.0	41.1
Kanegafuchi Spin. (50)	....	....	153.8	154.4
Do. new (25)	101.4	u .4	102.2	103.0
Tei'ku Rayon n. (37½)	....	....	90.2	90.4
Toyo Rayon new (50)	69.5	u .5	70.2	70.1
Second Section				
N. Y. K. (50)	108.8	u .3	....	109.1
Do. new (37½)	93.5	u .4	94.3	94.7
O. S. K. (50)	97.5	u .4	....	98.4
Ishikawajima S.B. (50)	83.1	u .1	[illegible]	83.2
Do. new (25)	54.1	....	55.0	55.5
Uraga Dock (50)	87.5	u .3	87.9	87.5
Mitsubishi Heavy (50)	84.9	u .7	85.1	85.4
Hitachi Works (50)	76.4	....	76.8	75.0
Third Section				
Japan Piston Ring	79.9	u .4	80.4	81.4
Kotobuki Heavy Ind.	62.8	d .6	....	63.5
Ikegai Automobile Ind.	....	....	64.5	65.3
Furukawa Ind.	138.5	d .1	94.6	95.0
Mitsubishi Machinery	138.8	d .1	1389.	138.7

Government Bonds

Government bonds spot prices in yesterday's afternoon session were:

Kogo 5%	107.10	107.10	107.10	107.10
Second 5%	107.05	107.05	107.05	107.05
First 4%	102.95	102.95	102.95	102.95

Short-Term Market

Short-term prices in yesterday's afternoon session were:

	Open	High	Low	Clos.
Tokyo Stock. n.	134.2	134.2	134.0	134.3
N. Y. K., old	....	108.8	108.5	108.7
N. Y. K., new	93.3	93.5	93.3	93.1
Kanegafuchi Spin.	....	....	....	152.4
Do. new	101.3	101.4	101.2	101.2
Teikoku Rayon. n.	....	89.7	89.3	....
Osaka Stock new.	72.8	72.8	72.8	72.7
Japan Steel Tube.	68.8	68.8	68.6	68.8
Japan Oil	76.6	76.9	76.6	76.9
S. M. Railway	72.3	....	....	72.4
Mitsubishi Heavy.	84.8	84.9	84.8	84.9
Hitachi Works	76.0	....	....	76.3
Japan Mining	58.9	58.7	58.4	58.4
Manchurian Ind.	57.9	....	....	....

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British Journal Says United Nations Face Acute Rubber Dearth

Reflecting anxiety over the insufficient supply of rubber in Britain and the United States, the Manchester Guardian declares that if suitable measures are not adopted, the Allies will be confronted with an acute shortage of rubber next year, states a Domei dispatch from Stockholm. Unless unnecessary use of rubber is checked and old rubber reclaimed, the journal said, military and transportation facilities of the Allied countries will face a serious crisis within the next 12 months. The rubber shortage will be alleviated to some extent if rubber can be obtaind from India, Ceylon, Africa and Brazil, the paper said. Research on synthetic rubber is also being carried out, but, even if some new process is discovered, a sufficient supply of rubber for military use probably could not be produced by next year to cope with the demand, the paper declared.

To Manage Java Mills

It has been decided by competent authorities to entrust the Toyo Cotton Spinning Company and the Kurashiki Silk and Rayon Company with the management and operation of the textile mills in Java which have been under the protection of our military administration for some time. This line of industry in the island is expected to show remarkable activity from now on, according to the Chugai Shogyo.

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TOKYO, THURSDAY, AUGUST 6, 1942

Horse-and-Buggy Age for U.S.A.

Once more an official prediction by the United States Government was issued at a recent White House press conference to the effect that the return to a horse-and-buggy age was now a distinct possibility in America. The President's warning that the severe gasoline shortage would continue through this year and the next was tantamount to a death knell for the age that has been dominated by the automobile trade and traffic.

The complete cessation of automobile manufacturing must have brought about a sudden drop in motor fuel consumption in the United States. There have been frequent reports that the loss of the rubber supply has already resulted in the stranding of countless motorcars due to tire shortage. This again must have considerably depressed the use of gasoline. In the face of all these, the renewed warning by Roosevelt about the persistent gasoline shortage reveals to us a state of affairs which could easily develop into a major national crisis.

A few days earlier, the United States Secretary of the Interior Harold Ickes came out with the statement that he did not see any sign of optimistic views for motorists and fuel users. He declared that the hardships to be faced in the future will probably be greater than in the past. He also stated that the pipelines now being constructed to the Atlantic seaboard would not give a complete answer to the annoying question. This again discloses to us the helplessness of the United States Government against the tide of misfortune which now seems inexorably engulfing the American people.

During the reconstruction period after the last World War, the popularization of the use of automobiles was by far the largest factor in invigorating the economic life of the American people. It extended the sphere of habitation far into the hitherto forbidding distant regions. It emancipated agricultural exploits from the narrow confines in the vicinities of railway stations. It raised thriving forests of oil derricks. The tax receipts from automobile fuel consumption fed the loom that wove the network of marvelous roads covering the entire national domain. The automobile gave birth to many a colossus in the insurance business. The new model advertisements every year became one of the major items of revenue for all newspapers and magazines. The "Used-Car Ads" section became the single largest feature in the financing of most of America's local newspapers. Real estate values increased by leaps and bounds at the crest of the widening sphere of human activity due to the popular use of automobiles.

All in all, the twenty odd years since the close of the last World War until the outbreak of the war on the Pacific have represented a golden age of automobiles—and, in many senses, a golden age for the American machine civilization. One may well estimate that more than half of the increase of the American national wealth is attributable, directly or indirectly, to the popularized use of automobiles. It has become an integral part of the national life.

In view of all these, one can easily see that any abrupt shift from the automobile age would necessarily exact tremendous, if not fatal, sacrifices of the once vaunted "American Way of Life." It would cause many dislocations with grave consequences. The daily press reports from abroad are beginning to indicate the widening of the fissures in the economic structure of the United States as a part of the effect of the sudden shift.

The automobile manufacturing industry itself may not suffer financial loss. In fact, it is the indispensable favorite of the national rearmament program. First to suffer from the dislocations is the advertising business. The dazzling galaxy of sparkling pictures of new models, will no longer appear on the pages of newspapers and magazines nor on the road side billboards. The forced retirement of old cars from the traffic will at once reduce to the point of extinction the "Used-Car Ads" sections of local newspapers.

Thrown out of their gainful occupations of long years' standing will be the 60,000 automobile dealers, the 50,000 service stations, and the 150,000 repair shops involving many millions of employes. The 48 state governments can no longer expect an annual receipt of two billion dollars in taxes on automobile use and fuel consumption. In fact, more than 12 per cent of all the local and federal tax receipts accrued directly or indirectly from the use of automobiles. Most of the money was used in highway construction and maintenance, employing one and a half million of men and an enormous amount of building materials. Another grave consequence to follow the shift from the motor age to the horse-and-buggy age is the destruction of the automobile insurance business which has been earning an annual sum of 100 million dollars in clients' payments alone.

Next in the sequence of misfortune is likely to be a drop in the value of a large part of America's real estate. All the lands for residence, farming, and business that depend on automobiles for daily transportation are being hard hit by the drastic reduction in motor traffic. The incidence of the blow will ultimately fall upon the value of the land and property affected by it. When the effects of the blow begin to be felt by the people, the entire financial structure of the nation will be subjected to a thorough revamping, from which the present order of things in America has only a dubious chance to come out alive.

A return by the United States to the horse-and-buggy may appear justifiable to Roosevelt's credulous followers because of its professed hope of helping the nation to win the war. Such, however, would not be the logical sequence of events The great industrial potency of the United States was largely derived from the continued use of automobiles in all fields of productive activities. With automobiles disappearing from the nation's highways and farms, substantial reductions are necessary in the calculation of America's wartime industrial power. All the industrial expansion of the United States during the past quarter century brought no increase in the total railway mileage of the country. The pace of that expansion almost exclusively depended on the increasing use of automobiles, until it is now evident that the American industrial power, whether in peace or in war, rises or falls with the volume of its automobile traffic.

Roosevelt's hope of maintaining American wartime industrial power by banishing automobiles will be recorded as one of the grossest follies of history. The folly will turn into a tragedy when its protagonists continue to pursue the present course and plunge the United States into chaos at home and defeat in the war abroad. The two misfortunes will descend on the American people in quick sequence. Which will precede the other will be a matter of no moment. Roosevelt is merely attempting to make a victory chariot of a horse-and-buggy. Its two wheels are beset by the two inevitable misfortunes, namely domestic chaos and defeat in the war. The collapse of one wheel will at once lead to the collapse of the other.

Rubber Producing Areas

The countries producing the largest quantities of plantation rubber are Malaya, the Dutch East Indies, and Ceylon. Smaller amounts are also obtained from India, Sarawak, Borneo, French Indo-China, Siam and various parts of Africa. Owing chiefly to the demands of the motor car industry the production of plantation rubber has made phenomenal progress. The first occasion on which a considerable amount of plantation rubber was offered on the market was in 1910, when the output reached 11,000 tons. By 1920 it was nearly 317,000 tons and in 1927 it amounted to 567,000 tons. In this period there were wide fluctuations in price, ranging from 12s. 6d. per lb. in 1910 to 7½d. per lb. in 1921.

While the production of plantation rubber has continued to increase that of wild rubber has decreased until in 1927 the world's production of all grades of wild rubber was only 6 per cent of that produced on plantations. The reason for this is that not only is plantation rubber of good quality, comparable with that from the Amazon, but it is put on the market in a clean, dry condition.

A Year Ago Today

August 6, 1941

From the Files of Japan Times and Advertiser

The vanguard of the Nagasawa and Takeuchi detachments which early yesterday morning started their advance from a certain important place in Cambodia was reported to have entered an unnamed town near the Thai-French Indo-China border today.

* * *

Large numbers of Anglo-Indian troops reached Singapore today, according to dispatches from the south. The re-enforcements consisted of British army units, Royal Air Force personnel, marine and gunners from the Punjab.

UNITED STATES TRIES TO CHANGE LIMIT OF TERRITORIAL WATERS

What Is Standard Treatment of Aliens? Authorities Advance Various Theories

By THOMAS BATY
(Special to Japan Times and Advertiser and Contemporary Japan)

Part III

It may be noted, in passing, that there has for several years been a considerable movement in favor of extending the limits of territorial waters. Although the discussion of the question at a recent international congress resulted in no agreement, it can scarcely today be said with the same confidence that Sir Rt. Morier, apparently with the concurrence of Lord Salisbury, evinced in 1880, that:

"Her Majesty's Government never had admitted and never would admit the one-sided extension by any Power of its territorial jurisdiction beyond a zone comprised within the recognized three nautical miles."

This is emphatic and unqualified, and lends no support to theories which (apart from long prescription) would reckon the zone from lines arbitrarily drawn from headland to headland. It confirms the simple and easy rule which asks only, was the place three miles from any lands? The recent enormous pretensions advanced in the United States to exercise "protective" jurisdiction for nearly a hundred miles out to sea (as in the Anti-Smuggling Act of 1935 and the Declaration of Panama) constitute a real derogation from the freedom of the seas. As an old writer forcibly observes: "If we admit of any limits within which a search may be made on any pretence, we have yielded everything, we have no security, all will be subject to dispute and chicane. . . There is no nation so powerful, none so proud in the world, as directly to deny this maxim; there is none so weak, none so abject, as to give it up. Did this country ever pretend, when her naval power was at the height, to stop ships out at sea, in order to search whether [prohibited] commodities were on board? Would the little Republic of Genoa endure our doing it? Would anything less than a conquest induce her to submit to it?"

Yet America apparently expected to get away with it! Great lawyers like Professors H. Briggs of Cornell, P. M. Brown of Washington and C. Fenwick of Bryn Mawr wrote voluminous justifications of the United States claim to patrol the open seas. What Webster and Jefferson, Marshall and Story would have made of all this baffling imagination.

Agreement by Governments

Another practice which is gaining ground rapidly is that which affects to bind sovereigns and their peoples by means of contracts made with their "governments." Formerly, the express assent of the head of the State, a known and ascertainable person, was necessary before the sovereign and the State could be affected by an international engagement. If this process is to be replaced by the undertakings of "governments," it would appear to involve extreme uncertainty and ambiguity. For there is no definition of a "government," and it will always be open to future sovereigns and ministers to deny that the person who signed an agreement ostensibly made by a "government" had authority to bind succeeding "governments." Is it possible to admit that a foreign minister, or a prime minister, or both, can commit their sovereign and their country to the operation of an engagement of which they need know nothing? Might not the members of a subsequent "government" disavow what their predecessors, or some ministers in their name, had done?

If "government" does not mean "certain ministers," but is a mere synonym for the sovereign, then surely the ordinary means by which the sovereign's will is declared should be employed.

Yet a mere declaration by a former Prime Minister (Mr. Idman) was held fatal to the Norwegian claim to Greenland. It would seem that this tendency ought to be carefully examined, the exact meaning of "the government" determined, and the extent to which it can make engagements settled. No doubt the practice began in the case of trivial departmental contracts—but it has already passed all bounds, and is becoming frequent. It ought at any rate to be made certain and regular, so that other parties may know what a "government" is—who can speak for it, and with what international authority it is clothed.

Another development which is very noticeable is the modern feeling that foreigners are entitled everywhere to a certain high standard of safety, good order and protection. No one says, or can say, exactly what this standard is: but practically it means that whenever a foreigner sustains loss or damage, a strong Power will hold responsible the nation where the incident occurred, unless neither it nor its agents had anything to do with the matter by act or forbearance. This is quite a modern growth. As the writer has traced the history elsewhere, it need not be elaborated here. As lately as 1862, Seward, when American Foreign Minister, wrote:

"Our citizens who go to reside under foreign jurisdiction, go there to take such law, and such modes of administering it, as are dealt to native subjects, however imperfect they may be—(except in countries where special treaties relieve them of the obligation)."

But now we find the United States claiming vigorously that American citizens are by no means to be content with the law and justice dealt out to native subjects, but are entitled to find in every part of the world the same safety and comfort as they enjoy at home—"and a great deal more!" She is even prepared to undertake intervention in order to secure these comfortable conditions—as Haiti, San Domingo, Honduras and Nicaragua know to their cost. Whereas that high authority, Kluber, speaking for the accepted law of nations, laid it down that—"Un etat ne serait pas fonde a se meler des affaires d'un autre pour simple cause de voisinage"—Olney, as American Secretary of State (Foreign Minister), proclaimed in 1896, that the United States' "geographical proximity" and other circumstances compelled them to be interested in the solution of the Cuban problem, "whether they will or not." They unquestionably "willed," and in the sequel wrenched Cuba from Spain altogether.

Prince Schwarzenberg had earlier (1850) expressed the same doctrine as Mr. Seward:

"However disposed may be the peoples of Europe to extend the limits of the right to hospitality, they will never do so to the point of giving to foreigners a treatment more favorable than the laws of the country assure to subjects."

Minimum Rights

Mr. Kuhn, however, in our own time, prefers to say: "It may be taken as a consistent principle of American diplomatic practice not to accept mere equality of treatment as sufficient." Even Professor Borchard, who is very cautious in these matters, advances the view that "practice has established the fact that there is a certain minimum of rights which elementary civilized justice requires every country to extend, and that it cannot escape international responsibility merely on the ground that it also ill-treats its own subjects. There is no reason to think that Mr. Seward and Prince Schwartzenberg would have declined to agree that there may be extreme cases in which one State would be entitled to complain of the treatment inflicted on its subjects by another. But the point is that the recent practice has been directed to requiring, not an abstention from gross ill-treatment, but the guarantee of a high standard of protection, and the adoption of American views of justice. Is a State to be deprived of the power to abolish private property if it thinks fit and to affect American property within its limits by its "new order?" Why should it be hampered in its political experiments by the casual presence of Americans in its midst?

As indicated above, we shall not trouble our readers by a parade of the detailed cases in which the Anglo-Saxon Powers have extorted damages from powerless countries merely because those countries were not quite as safe for American or British business as they would have liked them to be. Latin America has been united by nothing so much as by a revolt against this tendency. It remains a powerful tendency nevertheless. It should have been obvious that to let each country exercise its own will within its own limits with a minimum of responsibility to strangers is the one

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SUEZ CANAL IS NOW IN PRECARIOUS STATE

Military Events Move Swiftly in North Africa

By MATAICHI KIDO
(From the Kaizo)

The developments on the North African front have been swift since the fall of Tobruk into Italo-German hands. Concomitantly, the angry clamor for an explanation from the British cabinet for the defeats on the North African front and on other parts of the world has increased, much to the discomfort of Premier Winston Churchill.

Tobruk fell into Italo-German hands four days after the arrival of Churchill in Washington where he went to confer with Roosevelt. Despite the fact that the British premier had assured F.D.R. that the North African front was secure, Tobruk fell and in rapid succession, Sollum, Sidi Barrani and Marsa Matruh.

When Churchill came back, however, he was welcomed not with cheers or bouquets but with brickbats in the form of a non-confidence vote. It was not a very pleasant public he met when he came back to London. The people of England were sulky, glum and irritable. They wanted an immediate explanation for the colossal debacle and no apologies.

Prevents Reinforcements

While Churchill was being arraigned before the bar of public opinion, the Italo-German forces continued to push their way directly to Alexandria. The phenomenal success of the Axis forces on the North African front is attributable to the victory of the Italian navy in the middle of June when it sank a huge convoy. The result of this naval victory was significant. It prevented the sending of reinforcements to the British forces in North Africa.

Now, however, the Axis forces are entrenched near the outskirts of Alexandria, the base which the British used to intimidate not only Egypt but also the Arabian and Balkan countries. Alexandria was one of the important bases, along with Gibraltar and Malta, which assured England of supremacy on the Mediterranean Sea. But this line of British usurpation did not stop at Alexandria but extended to Aden, thence to India, Singapore and Hongkong. However, the latter two have already been taken by the Japanese forces. The loss of Alexandria will mean the loss of Egypt where a strong anti-British movement has got under way.

In defending this last stronghold in North Africa, it is naturally anticipated that the British will fight to the last. Perhaps it is for this reason that the Italo-German forces have stopped at the outer gates of Alexandria, with a view to strengthening their line of communication as well as to map out their final strategy for reducing this base.

Disraeli's Foresight

The defense of Alexandria also brings in the question of what is to become of the Suez Canal. This Canal is about 168 kilometers in length from Port Said to the Red Sea and is 80 to 135 meters wide and 11 to 12 meters deep. The story of how this canal was built is too well known. It was acquired by England through the foresight of one of her most brilliant statesmen, Disraeli, who bought the controlling stocks to this canal for a paltry sum when Egypt who was bankrupt decided to sell her shares on the French bourse. Quick action on the part of Disraeli gave England control over the Suez Canal which she has used to mulct the people of West and East Asia of their riches.

But Britain realized early that to control the Suez it was necessary to bring Egypt within her sphere of influence. But this was easy. Using the pretext that the Egyptians were agitating against foreigners, Britain went into Egypt in 1822 and occupied it. Of course, France was not without her ambitions in Egypt. Thus, France and Britain clashed but the dispute was settled as a result of the Fashoda agreement which gave England a free hand in Egypt.

But the Egyptians were not happy. Soon after the British came in, a movement to oust the British began. Simultaneously was a movement started to win independence for the country. In order to appease the nationalists, the British granted a nominal form of independence to Egypt in 1922, hoping to coddle her in that manner. But the Egyptians were not satisfied. In 1936 an alliance was concluded with Egypt but this gesture did not mean that Egypt was a free and sovereign State which could conclude treaties. The right of defense and to use military bases in Egypt still remained in British hands.

During the last World War, Germany and Turkey tried to stage an attack on the Suez Canal, but failed to dislodge the British troops defending it. However, the situation is radically different today and it may not be long before the British will be driven from the Suez Canal.

AMERICA DESPERATELY SEEKS MEASURE TO CHECK INFLATION

Japanese Victories in East Asia Put Skids on U.S. War Production Program

By MASATOSHI MATSUSHITA
(From the Kaizo)

The hostilities which are raging in the Pacific have rudely awakened the United States to make all necessary preparations to meet the ever-increasing hazards of war. While the American people are steadily losing confidence in the Roosevelt administration, due to successive defeats suffered by the armed forces of their country, Washington is finding it exceedingly difficult to check the rise of inflation

On April 27 President Roosevelt sent a message to Congress outlining his plan of preventing inflation during wartime. He declared that the American nation must lower its standard of living to meet the unprecedented requirements of war. On the following day, in a nation-wide broadcast he made a seven-point announcement directed toward checking inflation. He told the American people that heavy taxes would be levied on profits made by individuals and corporations to countermand profiteering, price ceilings would be adopted to regulate commodity prices, rents and hires, prices of agricultural products would be standardized and the system of credit sale and monthly instalment would be abolished. He also indicated that the coupon system would be enforced to buy the necessities of life. He then urged the people to purchase war bonds and settle their debts and monetary obligations.

'Life-Planning'

This new wartime measure was called by President Roosevelt as the national economic planning, but the newspapers headlined it as wartime "life-planning." Though this kind of planning is urgently needed, it is problematic to what extent the American people would be able to readjust their mode of living, especially when they are rather inclined to maintain their usual standard of living as far as possible. To Americans, who have become inured to material life, it would not be a plain affair to practise rigorous economy, in spite of the fact that they realize the imperativeness to become self-sacrificing to tide over the current emergency. On the other hand, life-planning is nothing new or novel to Japan. Moreover, the Japanese people united as one have already reformed their standard of living to enable the Government to prosecute the war until final victory is attained.

Now that President Roosevelt has adopted this life-planning, it is reasonable to assume that the American people would endeavor to readjust their mode of living; yet it is a question whether such a measure would induce them to change their attitude toward the Pacific war in order to extend their unquestionable support to the Roosevelt Government. It has to be recognized that the Americans are creative and energetic. The "pilgrim fathers" came to the New World with a burning ambition to found a country of their own. They were puritan in every way. But the subsequent development of America brought about a lust for gold, and this caused the rise of individualistic capitalism. Hence, the creativeness and energetic faculty of the Americans have become more concerned with amassing wealth for themselves. This is the reason why the American spirit is a quaint mixture of puritanism and hankering after wealth.

When the first settlers crossed the Atlantic aboard the Mayflower and landed on the American continent, they were full of energy and hope, with the result that they soon established a new home for themselves. Because of their pioneering activities, America rapidly developed into a land of opportunities, and this called for a full display of creative faculty and energetic endeavors on the part of early Americans. Their untiring efforts to open up vast tracts of virgin land awaiting the hand of man to give up their riches, caused the rapid development of various industries. But with the close of the nineteenth century, the outlook of the Americans underwent a striking change. They became more addicted to wealth-seeking tendencies. In consequence, from the outset of the twentieth century they started becoming the devotees of Mammon, and thus they finally became the worshippers of monisticism.

Policy of Interference

In order to pursue their policy of capitalist-imperialism, the Americans began to interfere in the movement of the economic life of their nations. Therefore, it is no wonder that they propounded the so-called policy of "open door and equal opportunity" in East Asia to make their capitalist invasion in that part of the world a fait accompli. Their desire to enrich themselves by exploiting the resources and wealth of other nations appears to be a fixed policy. Relying on their financial capabilities and industrial expansion, they extended the sway of their capitalist-imperialism to Latin America, Europe and East Asia. Because of their self-centered activities, the Pacific war has broken out, while Italy and Germany are trying to exterminate their influence in Europe. Today, Latin America has been forced to become the economic granary of the United States, but the peoples of East Asia and the majority of European nations, refusing to submit to the domination of Washington, are acting unitedly to shape a new way of life for themselves.

The determination of Axis Powers to overthrow the supremacy of the Anglo-American "democracy" has confronted the Roosevelt administration with a grave crisis. It is finding it a hard problem to suppress the individualistic tendency of the American people who appear to think that the exigencies of war should not be permitted to disturb their mode of living. This tendency is bound to create additional difficulties for the American Government to maintain national solidarity. Although it will be able to enforce the new life-planning measure on the people, it is not certain whether the results to be obtained would be highly satisfactory. Nevertheless, it can be presumed that the Americans will accept the changed conditions to facilitate the prosecution of hostilities against the Axis nations. Even in that event national unity accomplished would be a forced unity and not a voluntary one. However, as this question only concerns America, it will not be appropriate to pass a hasty judgment, for it is apparent that the fate of that nation is dependent on national solidarity and curtailment of standard of living to maintain wartime economic life.

2 Perplexing Questions

Generally speaking, life-planning in wartime has two objects: one is to prevent the rise of vicious inflation and the other is to increase the output of war industries To America, the attainment of these two objects is absolutely necessary to carry on its resistance against the Axis Powers. But the question is which of the two objects should be realized first. While it seems imperative that a vicious inflation should be checked to safeguard financial potentiality, the question of increasing the production of armaments is equally pressing, particularly when the United States has to continue giving effective aids to Britain, Chungking and Australia. Viewing the life-planning from this angle, it has to be said that the requirements of war industries have to be met as early as possible, tackling the inflation issue as a domestic affair needing the practising of rigid economy in all home expenditures. But as inflation has a direct bearing on the production of armaments, it would not be easy to solve either problem in an effective manner.

President Roosevelt in his recent message to Congress pointed out that there was no need for any individual American to have an annual income exceeding $25,000. Suppose that the engineers and experts as well as factory-workers who are indispensable for accelerating the production of war accessories demand that amount as their annual income, the result would not be very good for the Chief Executive. If such an outcry is raised, he shall have to introduce graduated scale of payment to satisfy all the parties concerned. The

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